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United States Department of State  
and the Broadcasting Board of Governors  
Office of Inspector General

# Report of Inspection

## Embassy Beijing, China, and Constituent Posts

Report Number ISP-I-10-79A, September 2010

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## PURPOSE, SCOPE AND METHODOLOGY OF THE INSPECTION

This inspection was conducted in accordance with the Quality Standards for Inspections, as issued by the President's Council on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

### PURPOSE

The Office of Inspections provides the Secretary of State, the Chairman of the BBG, and Congress with systematic and independent evaluations of the operations of the Department and the BBG. Inspections cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- **Policy Implementation:** whether policy goals and objectives are being effectively achieved; whether U.S. interests are being accurately and effectively represented; and whether all elements of an office or mission are being adequately coordinated.
- **Resource Management:** whether resources are being used and managed with maximum efficiency, effectiveness, and economy and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; whether instance of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

### METHODOLOGY

In conducting this inspection, the inspectors: reviewed pertinent records; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on-site interviews; and reviewed the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by this review.



**United States Department of State  
and the Broadcasting Board of Governors**

***Office of Inspector General***

**PREFACE**

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its responsibility to promote effective management, accountability and positive change in the Department of State and the Broadcasting Board of Governors.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to the OIG and, as appropriate, have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in dark ink, appearing to read "H. W. Geisel", written in a cursive style.

Harold W. Geisel  
Deputy Inspector General

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## KEY JUDGMENTS

- Managing Mission China's dramatic growth is a fundamental challenge for the Department. The number of reporting officers and other agency staff in recent years has expanded beyond the ability of management, particularly in information technology, to provide adequate support. The additional management position requests in the current Mission Strategic Resource Plan (MSRP) should be funded.
- The Ambassador is an active and effective proponent of U.S. policy with Chinese officials, elites, and the public at large. He is held in high esteem by the mission's staff. He and the deputy chief of mission (DCM) do a good job managing most issues and people at Mission China but need to improve coordination among economic and law enforcement agencies.
- Demand for nonimmigrant visas (NIV) is swamping the mission's consular sections. Starting in March 2010, appointment wait times have lengthened, underlining the need for better management by the consular country coordinator, and greater involvement by the Ambassador and DCM. Consulates General Beijing, Shanghai, Chengdu, and Shenyang require new or reconfigured facilities, and a concerted effort should be made to lengthen visa validity on a reciprocal basis.
- Mission China is carrying out creative and far-reaching public diplomacy programs despite vigorous Chinese Government efforts to block them. Use of electronic media, outreach programs, and virtual presence posts (VPP) has been particularly successful.
- Mission China provides excellent reporting on important developments in China.
- The Department is working effectively to build a corps of language proficient officers with extensive in-country experience. The Department should improve work-specific instruction for officers assigned to consular sections and expand language training opportunities for specialists.

- Security programs at all posts in China are effectively managed. Additional discussion is contained in the annex to this report.
- Supporting a growing number of official visitors, notably to Beijing and Shanghai, consumes too much time in terms of both reporting and management staff, in a country with increasingly sophisticated travel services. Mission China can reduce employee overtime and stress by streamlining the services it provides visitors.

The inspection took place in Washington, DC, between April 12 and 30, 2010; and in Beijing, China between May 4 and 12, 2010, and between May 26 and June 10, 2010. Consulates General Shanghai, Guangzhou, Shenyang, and Chengdu were inspected between May 12 and 26. Consulate General Wuhan was inspected June 1, 2010.

## CONTEXT

The U.S. diplomatic presence in China has grown dramatically in recent years, in line with China's own stunning rise to world prominence. Mission China's staffing has

increased 30 percent since the last OIG inspection in 2004. A fundamental challenge for the Department is how to manage this growth.



Map of Beijing, China and its surrounding region

Source: U.S. Government

The President's May 2010 National Security Strategy concludes that "a pragmatic and effective relationship between the United

States and China is essential to address the major challenges of the 21st Century."<sup>1</sup> It declares that the U.S. Government desires a constructive and comprehensive relationship with China and seeks its cooperation to advance priorities like economic recovery, nonproliferation, and climate change. The strategy calls for monitoring China's military modernization and for communicating with candor on issues where we differ, like human rights.

China's pivotal role in world affairs is most obvious in economic, financial, and commercial areas. China is or will soon be the world's second largest economy. It is the largest market for new cars and the greatest user of telephones and the Internet. It holds the world's largest foreign reserves and is the second largest U.S. trading partner and the largest source of the U.S. trade deficit. It also is first in the emission of harmful greenhouse gasses. Many Chinese cities are choked with pollution. China has grown faster in the last decade than any major economy, yet its per capita income of \$6,600 is on par with Turkmenistan.

<sup>1</sup>Text available at [www.WhiteHouse.gov](http://www.WhiteHouse.gov)

The United States and China are engaged in high-level dialogues on a variety of critical topics. During the 6 weeks of this inspection, four Cabinet secretaries visited China, and the Secretaries of State and Treasury led large delegations to Beijing for the second round of a strategic and economic dialogue. In Washington, ranking officials from both countries met to continue a dialogue on human rights. The level of bilateral interaction is impressive, but day-to-day diplomacy is often frustrating due to Chinese restrictions affecting travel, outreach, management, and consular services.

Consular services have risen dramatically and now represent the largest single function performed by Department officers in China. Providing prompt and secure visa services and assisting U.S. travelers and expatriates in China are major challenges. Diplomatic, consular, commercial, educational, and other exchanges between the United States and China are likely to grow in the years ahead, creating a continuing demand for resources and trained professional and technical staff.

Embassy Beijing and the five consulates general in China now house one of the largest U.S. diplomatic presences in the world. More than 30 U.S. Government agencies maintain offices and personnel in China; the total staff exceeds 2,000 employees. Consulates General Guangzhou and Shanghai are as large as many mid-sized embassies, each with more than 250 employees. Consulates General Chengdu and Shenyang are smaller but serve the important western and northern parts of the country respectively. Consulate General Wuhan, opened in 2008, is staffed by one American.

## EXECUTIVE DIRECTION

Interagency representation in Mission China is an unusual blend of long-term foreign policy players (such as the Departments of Treasury, Commerce, and Agriculture), 10 law enforcement entities, and several domestic organizations—some operating overseas for the first time. Traditional foreign policy agencies like the U.S. Agency for International Development (USAID) are engaged in untraditional efforts designed to lead to greater Chinese collaboration in third countries. Finding methods and mechanisms to support the efforts of each of these agencies and promote cross-pollination among them is an ongoing challenge.

After nearly a year together in Beijing, the Ambassador and DCM have developed a relaxed, clear, and dynamic style that provides strong leadership to this large mission and enables it to support and use hundreds of visits by high-ranking American officials to advance policy goals. A daily huddle of a few key offices and a weekly country team meeting that is open to all agencies are the two pillars of their management approach. In between, either the Ambassador or DCM chairs meetings devoted to economic, science, law enforcement, and other issues.

The Ambassador and DCM practice an open-door policy, seeing individual agency heads as needed and carrying out representations to host government officials when asked. Both scored very well on personal questionnaires and received considerable praise in interviews throughout the inspection process. Some agency heads, while expressing an understanding of how pressed these individuals are for time, also indicated a desire for more regular access. In turn, the Ambassador and DCM indicated during the inspection that they are rethinking how best to restructure their regular meetings.

The Ambassador and DCM do a good job of coordinating most embassy and consulate operations, fostering a sense of teamwork across Mission China. The OIG inspection team suggested several steps to improve overall coordination. These include:

- having the Ambassador's staff circulate a planning calendar to key offices so that they know in advance when their input might be needed;
- assigning Department officers to the small Department of the Treasury and U.S. Trade Representative's offices in Beijing;

- using some economic and science cluster meetings for themed discussions; and
- creating new subgroups, particularly for law enforcement.

Also, to the greatest extent possible, the Ambassador and DCM need to stick to the schedule of regular meetings, despite outside pressures and constant high-level visitors. For instance, the “monthly” science cluster had met only twice in the first 5 months of 2010.

## Mission Strategic Resource Plan

The Mission Strategic Resource Plan (MSRP) for FY 2012 was prepared with the participation of all agencies and the five consulates general. It contains clear performance indicators and is used as a management tool by embassy leadership. The DCM reports that the Department provides good feedback on the post’s MSRP submissions and has met most of its requests for additional resources. The Managing Growth section of the MSRP recommends that Mission China and the Department reassess and provide better balance among the numbers of reporting officers, officers from other agencies, and management officers in China.

## Entry-Level Officers and Specialists

Mission China has more than 100 entry-level officers (ELO) and specialists. Embassy Beijing and Consulate General Guangzhou have particularly successful programs for these individuals. Meetings with agency heads and high-level visitors, participation in outreach programs, service as control officers, and rotations out of assigned sections are features of these programs as well as those at other consulates general. Consulate General Guangzhou makes representational funds available to first- and second-tour (FAST) officers and, in Beijing, the DCM encouraged them to work as teams to develop appropriate responses to various hypothetical policy crises. At all posts, ELOs participated more often than entry-level specialists.

Mission China is looking for ways to make the program more relevant to specialists’ interests. Countrywide, the FAST officers do communicate frequently among themselves and have a quarterly digital videoconference with the Ambassador. FAST officers praised mission leadership, FAST programs, and orientation for new arrivals. They described the embassy as family friendly and a good place to work. The DCM is aware that increasing visa workloads will limit some entry-level participation during particularly busy periods.



## Guangzhou

Guangzhou is a large, well-run consulate general with good morale. The consul general received higher than average scores in most areas on the inspectors' personnel questionnaire and no low scores.

The consular section employs 30 of the consulate general's 63 U.S. direct-hire employees and 60 of its 150 LE staff. In addition to a heavy flow of NIV applications and a growing workload in American citizen services (ACS), Guangzhou handles all immigrant visas and U.S. adoption cases in China. The huge section requires energetic leadership and management, which it is lacking.

There is good teamwork in Consulate General Guangzhou. Having offices in four separate locations hampers communications, but this situation will improve with the opening of a new consulate in 2013. Construction of the new facility is on schedule. Inspectors were impressed with the environmentally friendly project, in which all construction refuse is recycled or reused by the builder.

## Shanghai

An active and able consul general and a competent deputy provide excellent direction to the large consulate in Shanghai, where six U.S. Government agencies are present. While justified, the deputy position has been created informally, without providing for an open bidding process. The inspection team recommended that this position be regularized. A competent management team finds it increasingly difficult to handle the needs of growing Department and other agency presence at multiple locations, as well as a burgeoning official visitor workload that exceeded 300 visitors in 2009. The problem is especially evident in regard to information technology: outdated equipment, insufficient bandwidth, and staffing vacancies frequently hamper the consulate general's ability to function. The consular section is well managed.

## Shenyang

The consul general's light managerial style is appreciated by experienced officers, but does not provide sufficient guidance to mid-level officers, most of whom are in stretch positions and facing managerial responsibilities for the first time. Consular space is wholly inadequate. There is no long-term planning for dealing with regularly scheduled reports, LE staff training, or language training for officers. Post management needs to decide how to expand office space. More frequent visits from Embassy Beijing's financial management and general services sections would help address shortcomings in some operations.

## Wuhan

The consul general in Wuhan, a capable mid-level officer with excellent Chinese language skills and experience in public diplomacy, political, and consular work, was the only person stationed at post. A public affairs officer is scheduled to arrive in 2012. The consulate general occupies space in a downtown office building, which also houses the French Consulate. Current space will accommodate some additional staff but is not sufficient to accommodate full consular services.

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## MANAGING GROWTH AT MISSION CHINA

Managing Mission China's growth effectively will require attention to five key issues:

- prioritizing facility and staff requirements;
- providing consular sections adequate resources and direction to handle increasing demand;
- improving coordination among the large number of U.S. Government agencies;
- strengthening the information platform that underpins operations; and
- addressing human infrastructure through programs designed to create a corps of experienced, language-qualified officers and specialists.

### STRATEGIC PLANNING

By all indications, the official U.S. presence in China will continue to expand. The Department needs to institute better strategic planning and undertake strict rightsizing. It needs to develop a clear sense of priorities, taking into account the limitations imposed by political realities, funding, and staffing.

For example, NSDD-38 procedures are enforced for every new U.S. direct-hire position in China. Nonetheless, priority has been given to program and other agency positions without adequate consideration for their impact on support services and office space. The imbalance in support staff is being corrected slowly through the MSRP process. The embassy already has exceeded FY 2011 rightsizing projections for program positions, and it has surpassed FY 2016 projections for other agency positions—yet International Cooperative Administrative Support Services (ICASS)-funded support positions are 100 short of the rightsizing projections for FY 2011. The Department handled the resulting crisis in office space in Beijing by funding a large, new annex for the just-completed embassy complex, but no solution is in sight for similar space problems in Chengdu, Shanghai, and Shenyang.

Property issues in China are extremely complex. The Department is negotiating the acquisition of a site for a new consulate property in Shanghai and also exploring options in Shenyang. The projects are on the Bureau of Overseas Buildings Operations (OBO) funding schedule for 2021 and 2022. There is well-documented justifi-

cation to immediately increase consular work space at Consulate General Chengdu and to provide Consulate General Shanghai with new consular office space pending construction of a new office building. Yet neither of these projects is funded.

In addition, the embassy is considering enlarging Consulate General Wuhan from a one-person post to a full-service consular operation. It has also been suggested that the embassy retain the current consular space in Guangzhou even after the move to a new consular complex in 2013, which could help meet future growth in visa demand by effectively doubling Guangzhou's visa processing capability.

The OIG team believes that planning for full consular operations in Wuhan is prudent. However, it is not clear how large the demand for consular services will be; consular records indicate that only 1,533 people from the Wuhan consular district applied for visas in 2009. Even so, Wuhan could provide overflow capacity for visa demand from Beijing and Shanghai. There are several other advantages to enlarging Consulate General Wuhan. The city is located in a populous region; it already exists as a consular post so it does not require further bilateral negotiations; and the Chinese Government wants it to be a visa issuing post.

All these proposals for managing growth have merit, but not all can be funded or staffed. The Department and the embassy need to develop a strategic growth plan that establishes priorities and takes into account the variables that could cause delays and require adjustments. The mission updated a 2007 rightsizing review in 2008, but it is already completely outdated. The OBO construction schedule for China is a long-term plan which only partially addresses the mission's well-documented space issues. The MSRP is a useful tool, but it is not an easy reference for planners outside the mission and the Bureau of East Asian and Pacific Affairs (EAP); it loses context in Washington once it is amalgamated into the EAP bureau plan. A realistic plan would be flexible and coordinated with all relevant bureaus, would address the mission's short-term and long-term growth projections, and would include realistic funding targets for those who must lobby for the necessary financial and staffing resources.

**Recommendation 1:** Embassy Beijing, in coordination with the Bureau of East Asian and Pacific Affairs and the Office of Management Policy, Rightsizing and Innovation, should prepare an analysis of anticipated growth in the U.S. Government presence in China that prioritizes options for short-term fixes and long-term solutions and aligns human resources, financial resources, and facilities; this analysis should include a review of the proposal to retain existing consular office space in Guangzhou following the move to a new consular office complex in 2012. (Action: Embassy Beijing in coordination with EAP and M/PRI)

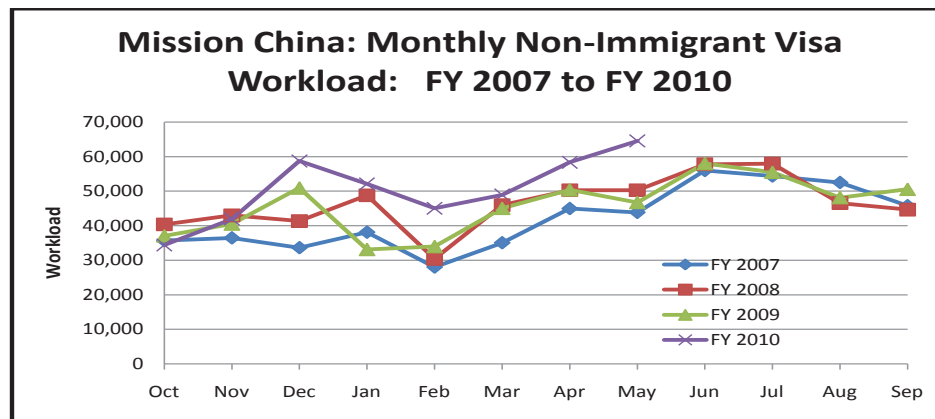
**Recommendation 2:** Embassy Beijing, in coordination with the Office of Management Policy, Rightsizing and Innovation, should undertake rightsizing exercises at Embassy Beijing and Consulates General Shenyang, Chengdu, and Wuhan to coordinate staffing proposals that address projected mission growth throughout China. (Action: Embassy Beijing in coordination with M/PRI)

## SUPPORTING CONSULAR GROWTH

No single factor is driving the growth of Mission China more than the demand for consular services, which is increasing at 15 percent a year and is expected to double in the next 5 years. The embassy and Consulates General Shanghai, Chengdu, and Shenyang all need additional space. The mission's efforts to improve existing consular procedures require immediate, high-level attention, as do efforts to negotiate an agreement with China extending visa validities.

### Scope of the Problem

By any measure, demand for consular services in China is increasing at an impressive rate. More Americans than ever are visiting and residing in China, and they require ACS-related assistance. U.S. passport applications, for example, increased by 58 percent from 2006 to 2009. In 2009, Mission China processed 550,000 NIV applications, which was 8 percent fewer than the year before because of the world-wide recession, but this year NIV processing has rebounded some 30 percent. Student visa applications are growing the most rapidly, which is good news in terms of cultural understanding. However, NIV appointment wait times have jumped to between 50 and 80 days, well above the Department's 30-day standard. If not addressed, these long wait times could become a serious bilateral irritant.



Since March 2010, the Bureau of Consular Affairs (CA) and Mission China have renewed their efforts to plan for consular workload increases. A recent visit by a consular management team produced a number of excellent recommendations, and CA has hosted follow-on discussions in Washington.

The OIG team addressed two facets related to managing growth: Procedural changes that could increase efficiency, and adding urgently needed space. A third issue—permanent staffing—needs to be addressed in the rightsizing effort recommended above.

## Procedures and Reciprocity

Mission China has taken several steps to increase productivity. It has moved toward a single consular district for visa purposes to help even out the disparities in appointment wait times among the different posts. Consulate General Guangzhou has shifted officers from immigrant visa processing to NIV processing, thereby increasing NIV capacity by 50 percent. Beijing, Chengdu, Shanghai, and Shenyang also have increased NIV appointments significantly. Saturday visa adjudications began in June 2010 countrywide.

In Shanghai, which faces the most critical short-term challenges, a cramped workspace (with only 12 NIV windows) limits options. To overcome this constraint, additional staff could be put to work after public hours to handle drop box applications and renewals that do not require interviews; post management could also consider staggering interview hours. The OIG team discussed these possibilities with consular managers.

Another way to increase adjudications is to interview only those applicants who must appear personally. Applicants with recently expired visas need not come in; they could reuse their finger-scan data and take advantage of a drop-box system, although some may be deterred by the high fees currently being charged by the CITIC Bank. Mission China is developing a solution using China Post, whose lower costs should promote more use by eligible applicants.

The medium-term measure with the highest impact would be to extend visa validity by negotiating a new reciprocity agreement with China. The visas currently issued to tourists, students, and business people are valid for only 1 year. If the Chinese could receive longer-term visas, relative demand would drop. It is imperative that the embassy make a greater effort to reach an agreement with China on extending visa validities for Chinese business and tourist travelers and students. The Ambassador will need to be personally involved and coordinate with both the Bureau of Consular

Affairs and the Department of Homeland Security, which is legally responsible for visa policy.

**Recommendation 3:** Embassy Beijing, in coordination with the Bureau of Consular Affairs, should establish visa reciprocity negotiations with the Chinese as a front-office priority. (Action: Embassy Beijing, in coordination with CA)

Another area of visa operations that CA could improve regards the administrative processing of security advisory opinions for certain visa applications. The online NIV application form (OF-160) does not collect all the data necessary to process routine security advisory opinions in accordance with 9 FAM, Appendix G, 501, which means that consular staff must request the data from the applicant and add it manually to the case. Moreover, when the applicant submits additional information (such as curricula vitae, itineraries, or lists of publications) electronically, the scanned files cannot be inserted into the electronic case file. Staff must first print out the documents and manually scan them into the file.

**Recommendation 4:** The Bureau of Consular Affairs should enhance the OF-160 online nonimmigrant visa application form by collecting required data to automatically complete routine security advisory opinions. (Action: CA)

CA's Global Support Strategy provides services connected with visa processing, such as collecting fees, returning passports containing newly issued visas, providing information about visa services through a call center, and collecting biometric data (including photo and fingerprints) at a facility away from the security constraints of consular facilities. CA's executive office indicated that China is among the last posts scheduled to receive these services, and that CA is reluctant to consider biometric collection in China. In light of workload increases, however, China should be considered for the earliest possible implementation of the Global Support Strategy, including off-site biometric data collection, which would allow consular sections to preserve interview windows for adjudications and assign staff higher-value tasks.

**Recommendation 5:** The Bureau of Consular Affairs, in coordination with the Bureaus of Diplomatic Security and Resource Management and Embassy Beijing, should enable the Global Support Strategy for Mission China and should approve off-site data and biometric collection in China. (Action: CA, in coordination with DS, RM, and Embassy Beijing)

## Space and Facilities

Consulate General Guangzhou has facilities to handle increases in projected workload, but every other consular section in China is short of space and needs to expand.

At Embassy Beijing, serious deficiencies hinder efficient movement of applicants in the public spaces, as is discussed later in the report. OBO plans to construct an annex on the embassy compound to address the mission's growing staff. Plans for the annex include 10 windows for the ACS unit of the consular section, but only about 40 percent of the potential hardline is reserved for consular services. The remainder has been allotted to the Department of Homeland Security (20 percent) and the regional English language office (30 percent). Hardlines are a consular section's most valuable asset, as they are the only place where interviewing windows can be located. The OIG team left an informal recommendation to reevaluate the floor plan of the public access levels of the new annex, in order to increase the number of interview windows by extending the hardline from one side of the building to the other.

In Shanghai, the consular section is located on the eighth floor of a high-rise shopping mall. Cooperation with building management is good in regard to moving consular clients from the ground floor to the consular area. However, the 15 interview windows (only 12 of which are for NIVs) and the existing waiting room are inadequate.

The current lease is due to expire in February 2012. With no new permanent location for the consulate general likely in the next 5 to 10 years, it is imperative that the Department obtain new commercial space that provides room for a significant expansion in consular staff and doubles the number of interview windows and waiting space.

**Recommendation 6:** The Bureau of Overseas Buildings Operations, in coordination with Embassy Beijing and the Bureaus of Consular Affairs and East Asian and Pacific Affairs, should secure new commercial facilities for the consular section in Shanghai for occupation by the expiration of the current lease. (Action: OBO, in coordination with Embassy Beijing, CA, and EAP)

Consular operations in Chengdu and Shenyang are relatively small and extremely cramped. They are housed in old structures that contain underutilized areas that could be converted to productive consular workspace. Both locations house information resource centers (IRC) that receive only a handful of visitors a day, while

adjacent consular sections strain to cope with hundreds of applicants. The size of both IRCs should be reduced to make the space available to the respective consular sections.

**Recommendation 7:** Embassy Beijing, in coordination with the Bureau of Consular Affairs and the Office of Overseas Buildings Operations, should create additional consular workspace at consulates general Chengdu and Shenyang, by reducing the space allocated to information resource centers and reallocating it to the respective consular sections. (Action: Embassy Beijing, in coordination with CA and OBO)

The medium-term solution to consular crowding at Consulate General Chengdu is to take advantage of nearby commercial space. Finding a new consulate building is a long-term consideration, and even if management reconfigures underutilized space in the present building, growth will outstrip the facility in a few years. A promising solution would be to create a new consular facility in an adjacent commercial building, such as the one that currently houses the Foreign Agricultural Service office.

Similarly, medium- and long-term solutions for creating additional consular space in Shenyang include renovating an adjacent apartment building, using other commercial space, or adding temporary buildings on the existing property.

Opening a new consulate general building in Guangzhou (with its 69 windows) will substantially increase the interview capacity. When the new building is completed in 2013, the U.S. Government will have 112 interview windows in Guangzhou. The current consular section, with its 43 windows, could be a ready solution in case the mission needs additional windows at that time. Rent on the facility is about \$1 million a year, but that cost pales in comparison to the price of building a new facility. It might even be worth keeping the facility for a short time until demand catches up. The OIG team made an informal recommendation to that effect.

### Temporary Staffing

Mission China has not aggressively justified and requested additional temporary adjudication resources. While offering Saturday adjudications and additional interviewing hours can help temporarily, the scale of the problem requires an increase in consular staffing. If demand is not met soon, there is a risk that it will continue into the winter months, eliminating any “off season” in regard to the demand for visa services.

## INTERAGENCY COORDINATION

Mission China includes some 30 U.S. Government agencies, which manage policy issues as varied as economic issues, regional and global stability, human rights, law enforcement, public health, climate change, and sustainable development. The OIG team focused on coordinating economic affairs and law enforcement, where mission performance has been uneven.

### Economic Affairs

Two factors present challenges to effective teamwork among Mission China's 10 economic agencies. First, many agencies in Washington have overlapping responsibilities for international economic policy, and competition among them extends to Beijing. Moreover, most agencies are represented in Beijing by senior officers of equal rank. Several mission staff members characterize economic policy coordination as "Washington in Beijing." Second, initiatives to bolster the Joint Commission on Commerce and Trade and the U.S.-China Strategic and Economic Dialogue have spawned in-house debates about goals, implementation, and the agencies' respective roles.

Mission China has a mixed record of responding to these challenges. The embassy deserves much credit for the success of the Strategic and Economic Dialogue program, which is co-chaired by the Secretaries of State and Treasury. Embassy Beijing has imposed discipline on the Washington interagency process, in one instance stopping an uncleared communication from Washington on trade policy. Economic sections in the embassy and consulates general often support visits of principals from more thinly staffed agencies. There is strong teamwork in support of American businesses.

Notwithstanding these examples, relations among economic agencies can be tense and marred by turf battles. Agencies compete for access to the Ambassador, and some see the Department's economic section having an inside track to the front office. Communication is inefficient; agencies hold multiple meetings with the same Chinese counterparts. Rivalries have hindered the embassy's response to requests for information from Washington. Continuing differences on how to manage issues, for example, intellectual property protection and energy cooperation, consume too much time. There also have been lapses in the clearance process.

Formal coordination mechanisms do not function as effectively as they should. On alternate weeks, the Ambassador and DCM chair, respectively, economic cluster and trade working group meetings. The Department of Commerce chairs an intellectual property working group. The OIG team encountered a widely shared view that teamwork is improving but is far short of where it should be.

Building a well-functioning economic team will require the Ambassador's concerted attention. A clear communication stating his expectations for cooperation would help impose discipline and better order. Process improvements are necessary to enhance teamwork. Economic agencies need to know about each other's meetings with their Chinese counterparts. Agencies must pull together to support the Ambassador.

**Recommendation 8:** Embassy Beijing should require that the Ambassador take an active role in building a well-functioning economic team, by holding agencies accountable for how well they work together and by implementing process improvements, such as regular meetings of section and agency heads, shared calendars, and thematic discussions at economic cluster meetings. (Action: Embassy Beijing)

Until 2009, two Department officers worked full-time in the embassy's Department of the Treasury and the U.S. Trade Representative's offices, rated by the agency heads and reviewed by the head of the economic section. The embassy did not initially renew these arrangements after the officers left Beijing because the economic section faced staffing gaps. A Department officer now divides time equally between the Treasury section and the economic section. No Department officer is assigned to the U.S. Trade Representative's office. The OIG team concluded that restoring Department positions with the Department of the Treasury and the Office of the U.S. Trade Representative would strengthen collaboration.

**Recommendation 9:** Embassy Beijing, in coordination with the Bureau of East Asian and Pacific Affairs and the Bureau of Human Resources, should ask the Department of the Treasury and the Office of the United States Trade Representative to restore positions for one Department officer in each agency, drawn from existing economic officer positions. (Action: Embassy Beijing, in coordination with EAP and HR.)

## Law Enforcement

U.S. law enforcement agencies seek to promote cooperation with China on transnational crime, including terrorism, money laundering, and drug trafficking. As China's economy grows, so will incidences of financial crime and corruption. The mission has given law enforcement and counterterrorism a stand-alone goal paper in the FY 2012 MSRP.

Ten law enforcement agencies maintain offices in Beijing, Shanghai, and Guangzhou. Coordination within the law enforcement working group is challenging, although the political officer who serves as executive secretary of the working group has made a major contribution to closer coordination. Some law enforcement officials told the inspectors that they are concerned that their contributions to the mission's policy goals are not fully appreciated. They cite as an example a joint statement in support of mutual law enforcement cooperation, which was prepared without their full participation.

Better coordination could be achieved through a more effective law enforcement working group. The law enforcement working group is supposed to meet monthly, but met only three times in the first 6 months of 2010. Some law enforcement members see little value to the meetings and are reluctant to discuss operational issues in front of large groups. The embassy has begun to form subgroups around specific issues, which is a positive development.

**Recommendation 10:** Embassy Beijing should restructure the law enforcement working group around selected operational subgroups and assign an office management specialist to keep and circulate records of their meetings. (Action: Embassy Beijing)

## STRENGTHENING INFORMATION MANAGEMENT

Mission China's information management (IM) systems are not keeping pace with the growth in mission staff and the introduction of new, computer-based applications. The situation is exacerbated by the fact that the LE staff is barred from assisting with the operation and maintenance of the unclassified OpenNet system. The OIG team identified four areas where prompt action is required to improve the mission's IM platform: strengthening management oversight; increasing staffing; improving training; and addressing shortcomings in bandwidth, latency, and packet loss. The OIG team also examined the aggressive way in which Chinese hackers have invaded personal computers, cell phones, and other electronic devices belonging to U.S. staff.

## Management, Staffing and Training

Management coordination between the embassy and the consulates general is insufficient, due in part to the heavy day-to-day workload. The mission's IM officer does not have formal responsibility for overseeing operations at constituent posts, nor does he review IM personnel assigned there. There are no scheduled conference calls, digital video conferences, or visits among the various IM offices.

**Recommendation 11:** Embassy Beijing should change the work requirements statement of the information management officer to include responsibility for overseeing information management operations and serving as the reviewing officer for information program officers at Consulates General Shanghai, Guangzhou, Shenyang, Chengdu, and Wuhan. (Action: Embassy Beijing)

The total IM staff at Embassy Beijing and the five consulates general is well below what is needed to operate the Department's unclassified OpenNet system and perform other duties, such as controlling pouch deliveries, maintaining radios and telephones, and servicing the classified network. The number of IM positions has not kept pace with the 30 percent increase in mission personnel over the last 6 years and the corresponding increase in the number of workstations, as well as the new IM applications. As a result, the rest of mission staff cannot operate at full efficiency.

Greater use of Web-based computer applications such as ePerformance, E2 Solutions, and the Integrated Logistics Management System (ILMS) make significant demands on the IM section's U.S. staff, because the LE staff who would manage such applications at most other posts are prohibited from doing so in China. Complaints about these applications, particularly their excruciatingly long download times that cut into productivity, abound within the mission. In fact, the most common complaints the OIG team heard during the inspection concerned these new applications.

The issue of inadequate IM staff is particularly acute at Consulate General Chengdu and at Consulate General Shanghai. In Shanghai, there are only two IM staff members, assisted by an eligible family member (EFM). The staffing shortage at Shanghai precludes assigning a dedicated specialist to the consular section, which is located 30 minutes away. Thus, the consular section faces delays whenever there are system problems.

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The 2012 MSRP calls for increasing mission IM staff by 50 percent. The OIG team concurs that such an increase is warranted.

**Recommendation 12:** Embassy Beijing should resubmit its request for the 12 information management positions included in its 2012 Mission Strategic Resource Plan. (Action: EAP, in coordination with Embassy Beijing)

In addition, the IM staff currently has a number of vacancies, and incoming personnel do not normally have an opportunity to overlap with outgoing personnel. This situation is especially critical in China where there is no LE staff to provide continuity and maintain institutional knowledge. Given the Department's difficulties recruiting IM staff, the embassy should explore the option of directly hiring or contracting cleared Americans who are already residing in China.

**Recommendation 13:** The Bureau of East Asian and Pacific Affairs, in coordination with Embassy Beijing, should develop and implement a plan to achieve continuity and protect institutional knowledge in its information management section. (Action: EAP, in coordination with Embassy Beijing)

Most IM staff assigned to China need additional training. They are responsible for many tasks that local staff would normally handle, including administering and troubleshooting computers, printers, and other devices. These technical responsibilities require in-depth understanding of the underlying operating systems and networks, which in turn requires additional training. Absent such technical training, newly arriving IM personnel require significant mentoring and study before they can be effective.

**Recommendation 14:** Embassy Beijing, in coordination with the Bureau of East Asian and Pacific Affairs, should develop and implement a written training plan that includes technical skills and system administration responsibilities to prepare information management staff for assignment in China. (Action: Embassy Beijing, in coordination with EAP)

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Mission China also suffers from insufficient throughput for the Department intranet. This problem affects the performance of all the programs, including consular, eServices, ePerformance, and E2 Solutions, resulting in data loss and excessive employee work hours. Available bandwidth in China has less impact on application performance than do latency and packet loss due to the physical distance between the Department and China's Internet infrastructure. The multiple causes of insufficient throughput need to be identified, and the problem solved.

**Recommendation 15:** Embassy Beijing, in coordination with the Bureau of Information Resource Management, should request a team to analyze bandwidth, latency, and packet loss at the embassy and constituent posts, and recommend measures to address shortcomings. (Action: Embassy Beijing, in coordination with IRM)

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## CREATING A STRONG CHINA CORPS

The Department and Embassy Beijing have done a commendable job laying the foundation for a trained and experienced China corps that can serve U.S. diplomatic interests well into the future. Numerous reporting and public affairs officers are serving on their second or third tours in China-related positions, and have developed great expertise. The situation is less favorable among consular officers; of approximately 100 ELOs in China, fewer than 10 percent were consular core at the time of the inspection. Language training is a key element of creating an effective China corps, and the Department's programs are effective and widely praised. More training needs to be made available to management officers and specialists.

The OIG team noted with approval a pilot program to provide ELOs with a 5- to 6-year package of language training and service in China. This program will help build a China corps and help to ensure that ELOs are able to use their language skills across a full career of service.

### Long-Term Language Training

Language training includes formal programs at the Foreign Service Institute (FSI) in Washington and Taipei, and several locations in China, and a language program that affords all staff up to 20 hours of classes a month. While the language ability among staff is generally good, the OIG team identified several areas for improvement.

Most reporting and public affairs officers have solid 3/3 language ability or above and can operate effectively with their official counterparts and the Chinese public. Entry-level vice consuls describe their FSI training as just adequate for adjudicating visa cases, and said they wished that FSI training did not focus so heavily on political and economic issues. Vice consuls constitute the majority of students in many classes, but several reported that consular-related training received only 20 to 30 hours out of a 33-week language program. They also noted that the Chinese instructors at FSI did not appear to understand the consular work environment. It would be helpful for the instructors to attend or audit the visa interviewing sections of the FSI consular course, and for the Chinese language department of FSI to incorporate the excellent materials developed in Mission China. The mission offers excellent, targeted training to vice consuls upon arrival at post, to assist them through their visa interviews; many vice consuls also participate in the post language program when time permits.

**Recommendation 17:** The Foreign Service Institute should provide students assigned to vice consul positions in China with more language training focused on conversation and the vocabulary they will require when interviewing visa applicants. (Action: FSI)

Such training would provide a more solid foundation for the excellent programs the mission has instituted to assist first-tour vice consuls. Consulate General Guangzhou, for example, has assigned a Chinese teacher to spend a brief time at the interview window with the officer listening to the interview, and then providing classroom feedback. The consulate general's NIV Mandarin course, a 102-page textbook, contains step-by-step lesson plans and a checklist designed to assist new officers with adjudication interviews.

Officers and specialists in non-language designated positions should be offered at least minimal language training. While across-the-board language training might not be necessary in countries where English is widely spoken, this is not the case in China. The OIG team heard from numerous management specialists and others that inadequate language skills harm performance, cause morale problems, and make it difficult to adjust to life in China. According to staff of the post language program, students who take FSI's FAST course and diligently pursue additional study at post can obtain reasonable, morale-enhancing language proficiency.

**Recommendation 18:** The Bureau of Human Resources, in coordination with the Foreign Service Institute and Embassy Beijing, should offer all officers and specialists assigned to Mission China the opportunity to take the first-and second-tour Chinese language course before arrival at post. (Action: HR, in coordination with FSI and Embassy Beijing)

## Language Training at Post

The mission's language program received high marks from all participants interviewed by the inspection team. At the embassy alone, some 145 U.S. direct-hires participate in one-on-one training; an additional 60 family members participate in group classes. Participants appreciate that training is tailored to individual needs, allowing an officer following human rights, for example, to focus on articles and vocabulary dealing with pro-democracy organizations. Scheduling is flexible and includes week-end sessions.

Consulate General Guangzhou has devoted special attention to language training, but the quality of language training at other consulates general is mixed. For example, a vice consul at another consulate general arranged training at her own expense before learning of the post-sponsored program several months later. Language officers at two consulates general had difficulty providing participation rates. Closer oversight is needed to maintain effective language programs at the consulates. The OIG team made an informal recommendation to this effect.

A number of officers and local staff asserted that training to the 3/3 level was not sufficient, and that a higher level of proficiency is needed to operate effectively in China. Staff associated with the post language program told inspectors that students who take several hours of one-on-one training a week often are able to raise their proficiency by half a level or more. The OIG team made an informal recommendation on using work requirements statements to encourage and reward participation in language training and reduce last-minute class cancellations, which inspectors were told are excessive.

## PROGRAM AND POLICY IMPLEMENTATION

Mission China produces high quality reporting and advocates vigorously for U.S. interests across mission goals. Consular sections are operating reasonably well in the face of great challenges. The Ambassador is effectively mobilizing mission resources in public outreach efforts throughout China.

### POLITICAL, ECONOMIC AND SCIENCE AFFAIRS

Mission China has a well-trained corps of more than 50 reporting officers, who produce exceptional analyses on a wide range of subjects. More than 30 LE professional staff members support them. Washington consumers uniformly praised the quality, quantity, and timeliness of mission reporting, and termed it essential to formulating sound policy. Staffing is adequate and does not need to be increased at either the embassy or the consulates general.

The quality of reporting is even more commendable in view of the obstacles that reporting officers encounter. Relationships with Chinese officials tend to be at arm's length. It is not uncommon for authorities to refuse or ignore requests for appointments and travel, although the degree of difficulty varies by issue, consular district, and the state of bilateral relations.

#### Reporting and Advocacy

Three sections at Embassy Beijing form the embassy's reporting corps. The political and economic sections, each with more than 20 officers, are the largest of their kind in the world. A stand-alone section addresses environment, science, technology, and health (ESTH). In addition, more than a dozen reporting officers are stationed at four consulates general. Most reporting officers are serving in their second or third China-related tours and have solid experience and language skills. The embassy and consulates general coordinate their reporting effectively with one another and with Consulate General Hong Kong and the American Institute in Taiwan.

Management of the embassy's large political section is particularly strong; officers and staff widely praised the political counselor's knowledge, accessibility, and management skills.

Four characteristics distinguish mission reporting:

- It is extensive. Recent reports that received high marks from Washington consumers included analyses of China's views on North Korea and Tibet, labor conditions in Shanghai and Guangzhou, and the implications of new local-content regulations for U.S. businesses. The size of the reporting staff allows for analyses of important but non-headline issues like China's gender imbalance and student views of the Chinese Communist Party.
- Thoughtful analysis is worked into nearly every item so that consumers can quickly put the development in context.
- Reports are widely sourced. All reporting sections have developed a wide range of official contacts, think tanks, universities, editorial boards, third-country embassies, and nongovernmental organizations.
- Reports are timely. Analysts cited several that immediately corrected widely read but inaccurate press accounts and helped avert unnecessary rounds of interagency meetings in Washington. Inspectors were told that at least one such report was briefed to the President.

Mission China is a strong advocate for U.S. interests. A senior Washington official monitoring human rights in China said that advocacy had changed "significantly for the better" under the current Ambassador, who has made personal representations to senior Chinese officials and has sent letters of protest in individual cases. The economic section's leadership in rallying U.S. Government and private sector pressure to suspend a requirement for censorship software on new computers was a major success. The embassy and Consulate General Shanghai have hosted gatherings of pro-democracy dissidents. Consulate General Shenyang has made formal representations to provincial leaders regarding the treatment of North Korean refugees. Embassy Beijing and Consulate General Guangzhou coordinate efforts to protect intellectual property in south China's manufacturing center, and to engage local rights holders as allies in identifying local best practices.

Washington clients also praised the ESTH section for its skill in presenting U.S. views on climate change, developing relationships with officials and civil society, and shepherding the foundational Ten-Year Framework on Energy and Environment.

The OIG team found several areas where output could be enhanced. Some of Mission China's best reporting and analysis have come from joint efforts between the

embassy and the consulates general. For instance, the embassy and Consulate General Chengdu have teamed up to provide excellent perspectives on Tibet; Consulate General Shenyang and the embassy have filed particularly insightful joint cables on North Korea; and Mission China's best reporting on the housing bubble resulted from cooperation between the embassy and Consulate General Shanghai. The OIG team made an informal recommendation encouraging more combined reporting.

The political and economic sections exchange nightly notes with the China desk in the Bureau of East Asian and Pacific Affairs. The notes include logistics and planning information, summaries of upcoming cables, and snapshots of how pressing issues are being handled. Wider distribution in Washington and at the mission would be helpful. Several Washington analysts lamented that they did not have access to policy-relevant information. The OIG team made an informal recommendation addressing this issue.

During the OIG inspection, the Ambassador said that he plans to ask the consulates general to send Embassy Beijing a brief, daily report highlighting significant issues. This report will replace a current, monthly reporting requirement and is designed to make coordination more timely.

With the exception of a few economic issues, such as stock exchange movements, trade data, some macroeconomic developments, and business reports, reporting does not overlap with open-source material. The OIG team informally recommended that section heads continue to review reporting with a view toward minimizing overlap with open-source material.

Embassy Beijing's economic section maintains an economic intranet site (Sinoeconomy) that is updated frequently and provides a valuable first stop for analysts and policymakers seeking a quick overview of current developments. The site reaches U.S. Government agencies that do not routinely receive cables, and the embassy uses it as a vehicle to engage in a productive dialogue with readers. The section maintains a labor forum site, and Consulates General Guangzhou and Chengdu also maintain economic pages but they are not updated as frequently. In reviewing the sites, the OIG team made an informal recommendation that those sites should be combined into the Embassy's Sinoeconomy intranet site.

## Staffing and Coordination

The corps of reporting officers at Mission China has grown significantly and continues to grow. Consulates General Shanghai, Guangzhou, Chengdu, and Shenyang are all adding significantly to their reporting staff in 2010, by as much as 50 percent. In view of space constraints and the mission's lag in adding needed management and

information technology staff, the OIG team believes that further increases in reporting staff are unnecessary and should be postponed. This report's section on inter-agency coordination contains a recommendation to establish positions in the embassy's Department of the Treasury and U.S. Trade Representative's office sections against existing staff levels.

There is room for greater efficiency in terms of how the mission handles visits, particularly at Embassy Beijing and Consulate General Shanghai, each of which hosted more than 300 high level visitors in 2009. Reporting officers at both posts normally serve as control officers; some spend up to 30 percent of their time on visit related work.

Much of the reporting officers' visit related work adds considerable value, but some of it does not, particularly their time spent meeting visitors at the airport and seeing them off at the conclusion of the visit. Officers told the team that a run to the airport and back can take up to 5 hours in Beijing and up to 4 hours in Shanghai. The OIG team questioned whether providing this service is a wise use of reporting officers' time, given how easy travel has become at China's major airports. In many cases, a driver and/or expeditor could handle arrivals and departures. In other cases, outsourced services would suffice. The mission's visitor policy should be revamped, particularly regarding arrival and departure procedures, taking into account the reporting officers' time, opportunity costs, and the efficient use of mission resources.

**Recommendation 19:** Embassy Beijing should adopt a written policy that better defines which visitors require control officers to travel to the airport to meet and see them off. The policy should seek to reduce the time that control officers spend on travel to and from airports and explore opportunities to out-source these services. (Action: Embassy Beijing)

Embassy Beijing's political and economic sections also regularly prepare issue papers for the Department that would normally be prepared in Washington. This practice is a consequence of the large imbalance between the number of officers in Beijing and those at the country desk in Washington. Reporting sections in Beijing have grown, while staffing at Washington's China desk has remained relatively flat. As it is more costly to support staff in Beijing than in Washington, it is an inefficient use of resources for Beijing staff to regularly perform functions that would normally be done in Washington.

The heads of the embassy's large political and economic sections carry the diplomatic title of minister-counselor, and both of their deputies are first secretaries. In rank-conscious China, this circumstance puts the deputies and the sections at a

disadvantage, particularly whenever section chiefs are absent. It is exceedingly difficult for deputies to secure adequate access for discussions or official representations. The same applies to the public diplomacy section. The head of the ESTH section faces similar disadvantages as a first secretary. In accordance with 3 FAH-1 H-2434.3, the title of counselor may be conferred, in rare and exceptional circumstances, by the Director General of the Foreign Service and Director of Human Resources, to these types of officers who are assigned to a position where the lack of such title would constitute a major impairment to the effective performance of duties or the function of the mission. Other countries' embassies in Beijing have resolved this problem by conveying counselor titles to their deputies and other senior officers. Embassy Beijing should request from the Department permission to assign the level and description of diplomatic titles to their deputies and other senior officers.

**Recommendation 20:** The Bureau of East Asian and Pacific Affairs should request that the Bureau of Human Resources assign the diplomatic title of "counselor of embassy" to the deputy section chiefs of the political, economic and public affairs sections, and to the head of the environmental, science, technology, and health section. (Action: EAP, in coordination with HR)

The number of Consulate General Chengdu's reporting officers has doubled in the past year, and the consul general still rates all but one officer, which disperses managerial responsibility for the section. The head of the reporting section should rate or review all of the officers in the section.

**Recommendation 21:** Embassy Beijing should require that the head of the political-economic section at Consulate General Chengdu rate or review all reporting officers. (Action: Embassy Beijing)

## Foreign Assistance

U.S. foreign assistance is modest. The United States will provide some \$40 million in foreign assistance to China this year, through three principal funding sources: USAID; the Bureau of Democracy, Human Rights, and Labor (DRL); and the President's Emergency Plan for AIDS Relief (PEPFAR). Congress has earmarked a portion of USAID's appropriation for preserving Tibetan cultural traditions and sustainable development among Tibetan populations, and to support U.S. educational institutions' environment, governance, and rule-of-law programs.

USAID's Regional Development Mission–Asia, based in Bangkok, manages all USAID programs in China. The function of the USAID development counselor in Embassy Beijing is to engage China on responsible donor practices in third countries; the position is not responsible for overseeing bilateral aid to China.

Within Mission China, the political, economic, and ESTH sections communicate effectively with funding agencies, and they often comment on project proposals. The Ambassador approves foreign assistance operating plans for USAID and PEPFAR. No Department officers are designated as grant managers or program officers, although officers maintain contact with some of the funding agencies' grantees.

USAID and DRL have become aware of the potential for overlap in their respective rule-of-law programs and have set up an informal coordination mechanism. Similar coordination would be helpful between the economic and political sections, which serve as points of contact with USAID and DRL on rule-of-law programs. Although foreign assistance coordination between Mission China and the funding agencies functions well overall, the OIG team informally recommended that the economic and political sections coordinate on rule-of-law programs.

Department officers receive occasional requests from USAID's Regional Development Mission–Asia to monitor projects. USAID-funded programs in Tibet pose a special problem. USAID staff has not received permission from Chinese authorities to visit the Tibet Autonomous Region for several years. Embassy and Consulate General Chengdu staff who are able to travel to Tibet could assist with monitoring the USAID programs there, as well as in other regions. The OIG team addressed this situation in an informal recommendation.

## PUBLIC DIPLOMACY

The public affairs environment in China is one of the most challenging in the world—the result of vigorous Chinese Government efforts to limit U.S. public diplomacy and outreach, including via electronic communications. Despite these challenges, Mission China is carrying out creative and far-reaching public diplomacy programs. Of particular note are the embassy's use of the “new media” and VPPs.

Mission China's public diplomacy staffing comprises 26 U.S. direct-hires and 67 LE staff in Beijing and at the five consulates general. The public diplomacy budget of only \$3.518 million, as well as program and exchange resources, are managed by Embassy Beijing. Public diplomacy programs include input from constituent posts, and are integrated into the MSRP.

Public diplomacy staffing has remained stagnant since the OIG inspection in 2004. The amount of support being provided to high-level visitors (including their media requirements) has tripled during the same period, yet only one U.S. direct-hire and one LE staff member have been added to the embassy's information and cultural sections. Beijing's public affairs section (PAS) handled more than 400 media events in 2009. Exchange programs have almost doubled in the last 6 years.

The FY 2012 MSRP includes a request for additional U.S. direct-hire positions in PAS, but the OIG team concluded that the embassy should resubmit an MSRP request for additional resources.

**Recommendation 22:** Embassy Beijing should resubmit a request for additional public diplomacy resources based on its review of the human resources, programming, and other support requirements for high-level delegations to China. (Action: Embassy Beijing)

## Information Programs

Chinese media outlets are more open and diverse than in the past, but most content is still filtered by government censors. Working with traditional media remains challenging. Placements are difficult and Chinese authorities often block coverage of mission media events. The Ambassador holds regular roundtables with Chinese media ahead of key events and quarterly off-the-record sessions with the U.S. press corps.

In response to constraints on traditional media, PAS created a sophisticated electronic outreach section to develop and use new media, including blogs, Web chats, and the social networking service Twitter, to reach the almost 400 million Chinese with access to the Internet. For example, when it became apparent before President Obama's November 2009 visit that his speech to students would not be broadcast on national television, PAS invited bloggers to a briefing in advance of the speech.

China is awash with electronic media, and the embassy uses them effectively. There are more than 50,000 active "Tweeters" who feed off bloggers across the country. A corps of 50 bloggers regularly uses PAS' electronic media programs. Their blogs often find their way into the traditional press. The 10,000 followers of the mission's Twitter site often "re-Tweet" to others. The mission's new media contacts form the basis of a rapidly growing virtual network.

**Best Practice:** Electronic Outreach

**Issue:** Media control by Chinese authorities is absolute. Control measures block media placement in the traditional press.

**Response:** Mission China's public affairs sections have developed and use new media programs—blogs, Web chats, and the social networking service Twitter—to enable them to reach out directly to the almost 400 million Internet users in China, 78 percent of whom depend on the Internet for their news. Realizing that Web programming is most effective when it takes place outside the embassy's Web site, the public affairs section has been cooperating with local Chinese Web portals and news Web sites on a number of outreach programs. The public affairs section has developed valuable online contacts, who have helped get official press releases and other U.S. information into traditional and online media.

**Result:** Through its development and use of new media tools and its cultivation of Chinese online contacts, the public affairs section has been able to significantly increase dissemination and placement of information despite great obstacles.

## Security Constraints

Public diplomacy programs within Mission China's diplomatic facilities are constrained by local embassy and Department restrictions pertaining to physical and cyber security (12 FAM 445.1., 12FAM 625.2-1 g.(4), 12 FAM 683.2-1.) that limit PAS' ability to invite large groups of students to participate in live events. They also limit its ability to do Web programming. When PAS invites bloggers to the embassy for briefings, it is unable to provide them with wireless Internet access to post live blogs from the event.

Physical access restrictions make it difficult for journalists to participate in program events. Names of participating journalists must be submitted for clearance prior to the event; escort requirements are cumbersome. Information security also imposes restrictions. At both the embassy and PAS' stand-alone American Center for Educational Exchange, journalists can bring in basic equipment, including laptops (with prior permission), but not accessories that permit online communication. Cell phones are prohibited. At a few special events, the information security office has permitted blogging. PAS sections have undertaken creative initiatives to work within these limitations. Diplomatic security and information management staffs have worked collaboratively with public affairs at some constituent posts, but the practice is uneven throughout the mission.

**Recommendation 23:** Embassy Beijing, in coordination with the Bureau of Diplomatic Security, should develop new security guidelines that would allow increased programming in publicly accessible spaces, and provide an explanation to the Bureau of Diplomatic Security for any exceptions to standard security policies. (Action: Embassy Beijing, in coordination with DS)

## Exchanges

Mission China runs one of the Department's largest visitor and educational exchange programs. The Fulbright program provides grants to 100 Chinese and 100 American students, researchers, and lecturers annually. China does not have a Fulbright Commission; the program is managed by Embassy Beijing with support from the Institute of International Education's Beijing office. The Chinese Government imposes constraints on exchanges and does not permit open competition for Fulbright grants. The Ministry of Education controls which schools are allowed to nominate students and faculty for awards, and a Chinese quasi-governmental organization ranks the candidates put forward by the universities before sending them to the Fulbright binational panel to be interviewed. It is only at this level that competition becomes open and the embassy has input.

PAS has unsuccessfully sought to convince the Chinese that the Fulbright competition should be open to all potential candidates. Until they concur, PAS firmly opposes creating a binational commission. The OIG supports this position. The Ministry of Education also controls which universities can host American scholars.

The international visitors program, with 120 grantees and 70 voluntary visitors, is the third largest in the world. The program is well run mission-wide, with each constituent post receiving an allocation. An embassy committee, chaired by the DCM, makes final selections but respects slates put forward by the consulates. Selection criteria include regional diversity, minorities, female candidates, and promotion of MSRP goals. Last year, 44 percent of the mission's principal international visitors candidates were women; approximately half resided outside Beijing. While Chinese authorities denied some international visitors permission to travel, most were able to go to the United States.

Mission China has done a commendable job incorporating 3,000-plus exchange alumni into its program activities. It communicates with them through a country-wide alumni database and a Chinese community on the Department's alumni Web site, and by organizing alumni events in Beijing and other cities. The DCM and consuls general frequently host alumni events and include alumni in other representational events.

### Educational Advising

China is the second largest source of foreign students in the United States after India, with 98,000 Chinese students enrolled in American educational institutions in 2009. Embassy Beijing is ramping up its educational advising program to accommodate the increasing number of students interested in studying in the United States. The Bureau of Educational and Cultural Affairs provided \$500,000 to expand the Education USA advising program, which includes electronic outreach.

### Speaker and Cultural Programs

Despite obstacles often raised at the last minute by Chinese authorities, PAS effectively uses American speakers, including Fulbright professors and mission officers, to promote MSRP goals. For example, Consulate General Guangzhou recently held a forum on U.S.-China relations with Fulbright scholars from locations throughout China. The mission uses performing arts and other cultural programs to reach diverse audiences, including young people. It has participated actively in the Ambassador's Fund for Cultural Preservation. Previous projects included the documentation of traditional Tibetan festivals and rituals. PAS considers cultural programs non-threatening tools to build goodwill and trust with local authorities. Cultural programs receive excellent coverage in national and regional media.

### Information Resource Centers

There is an IRC in Beijing and at four constituent posts. In Beijing, Guangzhou, and Shanghai, the IRCs are located off the mission compound, in stand-alone PAS centers. The Beijing IRC has a collection of 4,000 books, as well as periodicals and films; collections at constituent posts are smaller. The books are not available for general circulation, but are lent to researchers for special projects.

The number of visitors to the IRCs is generally small. The Beijing IRC has approximately 200 visitors per month, mainly academics or students. The IRC in Shenyang, which is inside the consulate hardline, hosts 20 to 40 visitors monthly,

although it sometimes hosts larger groups. Chengdu's IRC also is located within a hardline. Visitors to both must identify themselves to Chinese police stationed outside the consulate, as well as comply with mission security regulations. These factors reduce the number of visitors. The public affairs officer and information resource officer are working to reconfigure the IRC in Beijing to create more space for programs and other activities, including interactive and multimedia programs. The consular section of this report recommends reducing the size of the IRCs in Shenyang and Chengdu to create additional space for consular or other operations.

The IRCs have increased their electronic dissemination of information, but continue to rely extensively on traditional, and largely reactive, means of providing information. They would increase their effectiveness if they made greater use of proactive electronic outreach and used interactive media such as Web chats, Twitter, blogs, and other new media. The OIG team made an informal recommendation to this effect.

### Stand-Alone Program Space

PAS Beijing, Guangzhou, and Shanghai use stand-alone space outside the hardline for programs, press briefings, and other activities. The OIG team considers it important to maintain this space and not fold it into new, on-compound facilities.

Beijing's American Center for Educational Exchange is located in commercial space about 20 minutes by car from the embassy. The center includes a program room that can accommodate approximately 80 people. It also houses the IRC, the educational advising center and other offices for the regional English language officer, information resource officer, and assistant cultural affairs officer for education, and their respective staffs. The center uses its program room for films, speakers, and other programs two to three times per week; it also serves as contingency space when Chinese authorities deny permission for programs at other sites. The American Center for Educational Exchange is slated to move to the new embassy annex once that building is completed.

With front office support, PAS is requesting a colocation waiver to retain its stand-alone space. The OIG team supports this request. Moving programming space inside the embassy compound would significantly discourage Chinese visitors and attendance at the American Center for Educational Exchange programs, as well as visitors to the IRC, regional English language office, and Education USA. They would need to pass Chinese police checkpoints and comply with rigorous embassy security requirements. Moving inside the compound would make it difficult to use the program room as contingency space in the event that a program is canceled elsewhere and could limit the success of a planned expansion of Education USA and other programs that are attractive to younger audiences.

PAS Guangzhou faces a similar location issue. It is currently in a downtown office building, but following completion of the new consulate building, it is scheduled to move there. Guangzhou uses its program space extensively for films, discussions with students, and bloggers' conferences. Guangzhou also plans to request a colocation waiver; the OIG team supports this request.

## English Language Programs

Embassy Beijing established its first regional English language officer program 2 years ago, following an OIG recommendation to improve English language training in China. Nearly 400 million students are studying English in China, and the government has mandated "American English" to be standard English in China. The regional English language officer covers China, Hong Kong, and Mongolia and has trained hundreds of teachers, students, and trainers throughout the country. Three specialists and five teaching fellows support these efforts in remote parts of China. Each trainer or teacher passes information to hundreds of teachers and students.

The regional English language officer received an inadequate 6 weeks of language training, which did not bring him to the level needed to interact optimally with Chinese-speaking educators. The language proficiency for this position has now been raised to the 2/2 level, but the current officer's successor has received a language waiver and will only receive 6 weeks of training.

**Recommendation 24:** Embassy Beijing should request that the Bureau of East Asian and Pacific Affairs and the Bureau of Human Resources offer future regional English language officers the opportunity to receive adequate Chinese language training to attain the required proficiency. (Action: Embassy Beijing, in coordination with EAP and HR)

## Outreach and Virtual Presence Posts

Mission China has vastly expanded its outreach capacity throughout the country through innovative programs, including its network of VPPs. When the Chinese Government denied permission to open any American presence posts, the mission established an outreach and engagement program in 2008 with officers in Beijing, Shanghai, and Guangzhou. The mission has expanded this outreach program by creating 19 VPPs in second-tier cities throughout China. Teams of three or four officers from different sections support VPP programs.

While the Department's original concept of VPPs emphasized electronic outreach, VPPs in China focus on programs, including visits to schools and universities. It is difficult to obtain permission for travel to politically sensitive areas or to address certain audiences, but the embassy has obtained permission for a significant number of VPP visits. Principal "draws" include discussion of study in the United States and student visas, but the visits also provide an opportunity to talk about U.S.-China relations, the U.S. political system, and similar topics. The Ambassador and DCM strongly support the program and encourage participation by ELOs so they gain experience in reporting and public speaking. The Ambassador and consuls general in Shanghai and Guangzhou have visited VPP locations as part of the program.

Some VPP coordinators are using electronic media for outreach. Several VPPs have Web pages linked to the Embassy Beijing and Consulate General Guangzhou Web sites. The challenge is to keep these sites current with the limited staff available, particularly Chinese staff members who are able to maintain the Chinese language Web sites. Beijing and Guangzhou each have only one outreach LE staff person; the other posts have none, making it difficult to keep VPP Web sites up-to-date.

Mission China's outreach programs, including the VPPs, have expanded outreach and built contacts in second- and third-tier cities and among young people and minorities. They have enabled the mission to overcome the Chinese Government's decision to deny the establishment of American presence posts. The VPP program has resulted in important reporting from remote areas and enabled the mission to reach important provincial leaders and include them in exchange programs.

The VPP program cannot be sustained with existing resources. For example, VPP travel and representational funds come from the mission's overall allotments. Only four American officers and two LE staff members in the entire mission are dedicated to VPPs. The participation of vice consuls in VPP activities places a significant burden on already over-stressed consular sections. The embassy has requested four new U.S. direct-hires and funding for two LE staff positions for the VPPs, but it has not yet received these positions or funds. The OIG team concluded that this request is justified.

**Recommendation 25:** Embassy Beijing should develop a comprehensive plan for virtual presence posts, including size, scope, and resource needs, and resubmit a request for those resources in the Mission Strategic Resource Plan. (Action: Embassy Beijing, in coordination with EAP)

**Recommendation 26:** The Bureau of East Asian and Pacific Affairs should designate an office within the bureau to support Virtual Presence Post programs. (Action: EAP)

## CONSULAR AFFAIRS

Mission China's consular operations are the largest in the world, after Mexico. In the face of exploding demand for NIVs and ACS-related assistance, an extremely difficult language, generally inadequate facilities, and frequently uncooperative local authorities, consular sections in China function fairly well. Consular sections in Shanghai and Chengdu are clearly showing the strains of overwork, while Beijing and Guangzhou have ample staff and space. Morale is better than might be expected given the challenges of working and living in China, which is a tribute to section management, particularly at the unit operational level.

More than 150,000 American citizens reside in China. The number is growing rapidly with continued U.S. investment and other interest in China. China processed 550,000 NIV applications in FY 2009, and the volume for the first 5 months of 2010 is 30 percent higher than during the same period in 2009. Wait times across the country have gone from less than 30 days, to nearly 4 months in Beijing and Shanghai.

### Country Coordination - Management

The OIG team found that consular managers across Mission China did not effectively engage their front offices to give adequate attention to consular challenges, and that consular resources were routinely drawn for non-consular activities. The OIG team counseled consular managers, the embassy front office, and the principal officers to make consular operations a priority element of the U.S. Mission to China.

The minister-counselor for consular affairs holds helpful weekly telephone conferences with the section chiefs in the consulates and a monthly digital video conference. On the other hand, the minister-counselor does not travel frequently enough to the constituent posts.

The work requirements for both the minister-counselor and the deputy consul general in Beijing identify them as being responsible for the Beijing consular section, which combined with an extended gap in the deputy consul general position, detracts from the minister-counselor's ability to coordinate country-wide issues, plan for resource needs, and provide guidance to consular managers outside of Beijing.

Notwithstanding the huge increase in NIV workload in early 2010, Mission China has requested only two temporary staff from CA to assist in Shanghai. More resources are needed in the short term; the small number of requests for temporary help reflects a lack of resource planning and advocacy by the minister-counselor. The OIG team left an informal recommendation that the DCM rewrite the minister-counselor for consular affairs' work requirements statement, eliminating the position's direct responsibility for the management of the Beijing consular section and focusing on coordination and support of country-wide consular operations.

The size and complexity of the Beijing consular section call for a senior-level leader. In the interim, the deputy consul general should act as the consular section chief. In addition, the Department should create a new senior section chief position as soon as practical. Other supervisory positions within the Beijing consular section should be reevaluated for appropriate grade. In the absence of the section chief, the next ranking officer normally would take charge of running the section.

**Recommendation 27:** The Bureau of Human Resources, in coordination with Embassy Beijing and the Bureau of Consular Affairs, should create a senior-level consular section chief position for Beijing and adjust grades of other supervisory positions accordingly. (Action: HR, in coordination with Embassy Beijing and CA)

## Country Coordination – Fraud Prevention

China is a high-fraud environment. Each consular section in China has a fraud prevention manager. Each fraud prevention manager dedicates appropriate effort to fraud prevention, but there is no coordination and little organized sharing of information among the embassy and the consulates resulting in duplication of effort. Because the South has traditionally been the center of fraud in China and because of the special requirements of the immigrant visa operations in Guangzhou, the mission would benefit from having a regional fraud prevention coordinator at Consulate General Guangzhou. In addition, due to the fraud similarities and close proximity to Hong Kong, the China fraud coordinator also should coordinate with Consulate General Hong Kong's fraud prevention program.

**Recommendation 28:** Embassy Beijing, in coordination with the Bureau of Consular Affairs and the Bureau of Human Resources, should establish the new position of regional fraud prevention coordinator at Consulate General Guangzhou. (Action: Embassy Beijing, in coordination with CA and HR)

## Country Coordination – Nonimmigrant Visas

The new, unified consular district for visa purposes will motivate visa applicants to seek the consular section with a shorter wait time. This situation calls for greater coordination of key elements of the visa process to promote consistent treatment throughout the country. The OIG team informally recommended establishing clear written guidance in such areas as security advisory opinions, adjudication standards, the numbers of hours vice consuls spend interviewing each week, expedited or emergency visa appointments, optional fields in the DS-160 NIV application form, and the oversight of business visa programs such as with the American Chambers of Commerce.

## Visas Viper

The embassy and consulates held all required Visas Viper meetings, and the consular section submitted all required reports on time. The consular section did not make any classified Visas Viper submissions during the last year. The embassy submitted a consolidated report for China each month. Guidance in 9 FAM 40.37 N5.1 a. directs each consular section to submit an individual report, and the OIG team reminded consular managers to bring their process in line with this new requirement.

## Nonimmigrant Visa Referrals

The visa referral program in Mission China is running well. A spot check of cases shows that they are generally proper, well justified, and support U.S. Government official interests. On the other hand, there are so many procedural shortcomings that they are best addressed countrywide.

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**Recommendation 29:** Embassy Beijing should enforce the requirement for Consulates General Shanghai, Guangzhou, Shenyang, Chengdu, and Wuhan to follow the visa referral guidance. (Action: Embassy Beijing)

## Public Diplomacy in the Consular Section

Three quarters of a million Chinese come to Mission China's consular sections each year. In Beijing, the consular waiting room is crowded and cramped. In Guangzhou, hundreds of applicants stand out in the elements every day as they are checked for entry into the building. Chinese who travel—especially those who travel for business or studies—are important to American economic success and the future of the U.S.-China bilateral relationship. On a daily basis, the consular sections have these key individuals' undivided attention for several hours. Mission China should consider them as public diplomacy targets of opportunity. The OIG team left an informal recommendation on this matter.

There are significant deficiencies in the public areas of the two biggest consular sections in Beijing and Guangzhou.

### In Beijing:

- the intrusion of an alcove into the waiting room, reducing usable space by 20 percent;
- a second floor waiting area that is accessible only through one narrow staircase;
- insufficient public lavatories;
- a queuing system that does not function;
- inadequate external and internal signage; and
- no protection for a piece of art hanging on a wall inside the waiting area.

### In Guangzhou:

- applicants line up outside in a small plaza, often huddling under umbrellas before they can access the spacious, two-story lobby of the building;
- the escalators to the fourth floor are not well marked;
- immigrant visa applicants are all asked to come in at the same time, which means that some of them must wait hours before they are interviewed;
- there is no access to refreshments in the waiting area; and
- NIV clients must follow a confusing circuit, from a window in the middle to a window on the left and back through the crowd to the right for a final interview.

These concerns hinder the flow of visa applicants, give the public a poor impression of the United States, and have led to a valuable piece of art being damaged in Beijing.

**Recommendation 30:** Embassy Beijing, in coordination with the Bureaus of Consular Affairs and the Bureau of Overseas Buildings Operations, should correct deficiencies in the consular waiting spaces in Embassy Beijing and Consulate General Guangzhou. (Action: Embassy Beijing, in coordination with CA and OBO)

## Consular Section - Beijing

In Beijing, which has the largest consular section in China, 32 officers and 47 LE staff are working to cope with the growing demand for consular services while being regularly tapped for other key mission events, such as high-level visits and the VPP program. Morale is quite high in spite of the workload.

### Nonimmigrant Visas

Beijing's visa unit processed over 260,000 NIV applications in FY 2009. In May 2010, volume was up 32 percent over May 2009. The unit is lead by an outstanding manager, who has done her best to meet this challenge while dealing with numerous structural problems. The OIG team suggested several adjustments that could produce at least marginal improvements in workflow, such as using angled platforms for fingerprinting machines, improving the signage for applicants, and establishing two separate interview areas to minimize the movement of applicants through the waiting room. The unit chief was quick to begin implementing these suggestions.

Visa processing in Beijing is complicated by several elements. All appointments are made through a call center; there is no online appointment capability. There are various groups of applicants, each requiring a special type of appointment and each with its own powerful defenders and interested parties who strongly object if they are in any way disadvantaged:

- diplomatic and service passport holders (Chinese officials, often for tourist travel);
- "P" passport holders (quasi-officials, provincial-level officials, and frequently friends and associates);
- groups from the U.S. Chamber of Commerce and other approved businesses;

- leisure tour groups (approved travel agencies); and
- others (a group which again is divided into “students” and “others”).

As the visa backlog has grown, the system to request expedited or emergency appointments has come under increasing pressure. The section now fields approximately 50 phone calls, 300 to 400 faxes, and 100 emails a day. The consular section has solicited LE staff assistance from other sections of the embassy to help respond to this tide. The response from the rest of the embassy has been encouraging.

### Nonimmigrant Visa Referral System

While the official visa referral system in Beijing functions correctly, a parallel, unofficial system undermines it. The section originally intended for the “Visa Beijing Inquiries” mailbox to be used when embassy sections ask about the visa process. However, it has evolved into an advocacy pipeline where employees ask about specific visa cases and debate adjudications, which is a violation of CA instructions on visa referrals. It also takes officers and LE staff members an inordinate amount of time to research and respond to inquiries. The consular section should return the mailbox to its original purpose and restrict its use to standard, visa process-related inquiries. Any messages relating to specific visa cases must be made in writing and scanned into the relevant case file.

**Recommendation 31:** Embassy Beijing should enforce the requirement that all referrals and expressions of interest in visa cases be handled through the formal referral system. (Action: Embassy Beijing)

The Chinese Ministry of Foreign Affairs often delays passports and travel authorizations for official Chinese travelers. Other sections of the embassy then request that the consular section intervene with the ministry to expedite travelers’ paperwork so that the consular section, in turn, can issue the appropriate visa. Trying to speed these cases through the Chinese bureaucracy is time consuming and a notable drain on limited consular resources. It is the responsibility of the interested office, not the consular section.

### American Citizens Services

Like most consular operations in Beijing, the ACS unit is doing excellent work in a spacious work environment. ACS work in China is a particular challenge, because of intrusive and complex rules on consular activities. For example, the Chinese authorities require a formal diplomatic note for every visit to a detained American.

Because so few people in China speak English, more distressed Americans rely on the embassy for help than might otherwise be the case. Disputes which otherwise might be resolved through negotiation escalate because of difficulties in communication or cultural perspective.

One of the key tools to providing assistance to Americans abroad is the country-specific information sheet, a document which addresses threats and gives useful information for travelers. The country-specific information sheet for China needs considerable work, as it is not clear and much too long. For example, the section on crime contains a paragraph of 1,072 words on scams and other petty crime in a country that is unusually safe. The OIG team made an informal recommendation that the sheet for China be rewritten to more accurately reflect the local conditions and to be more readable.

The ACS unit provides routine passport services and related support well. One of the many challenges is that most U.S. passport applications are handwritten, which requires consulate staff to manually enter the data into the ACS software. If the ACS waiting area had a computer and printer dedicated to passport application processing, customers could enter their own data, thereby saving staff resources. The OIG team made an informal recommendation to this effect.

## Fraud Prevention

The fraud prevention unit functions well and is thoroughly integrated into visa and passport operations. Officers are referring appropriate cases for investigation. The fraud prevention manager and the assistant RSO for investigations cooperate on fraud prevention efforts. The assistant RSO for investigations has established working relationships with local law enforcement authorities to obtain prosecutions and convictions in document forgery and human smuggling cases. The unit shares information with counterparts from other friendly embassies.

## Consular Section - Chengdu

The consular section in Chengdu is performing admirably under difficult conditions, which include extremely cramped work spaces. Morale among American employees is excellent, largely because of the efforts of an unusually effective leader. The five ELOs (all first-tour and none consular-coned) benefit from many opportunities to learn the varied aspects of consular work, and they participate in many professional development activities outside of the consular section.

There are only two more LE staff members than Americans in Chengdu. Bringing Chengdu up to a more normal ratio of officers to LE staff would require approximately four positions.

**Recommendation 32:** Embassy Beijing, in coordination with the Bureaus of Consular Affairs and Human Resources, should increase Consulate General Chengdu's locally employed staffing in the consular section to better reflect its workload. (Action: Embassy Beijing, in coordination with CA and HR)

## Nonimmigrant Visas

NIV adjudications rose from 2,877 adjudications in May 2007 to 6,165 in May 2010, an increase of 114 percent in just 3 years. While the section is doing an admirable job keeping ahead of the workload, the American officers have not devoted enough time to management and internal controls.

The manner in which expedited appointments are granted presents a vulnerability. At present, an LE staff member collects the requests from a Web site and presents them to the consular chief for approval. The consular chief authorizes the expedited appointments. There is no paper trail of the officer's decisions and the LE staff could inform any of the inquirers that they had an expedited appointment regardless of the consular chief's decision. The OIG team made an informal recommendation that Consulate General Chengdu implement a written system for expediting NIV appointment, similar to that used at Consulate General Guangzhou.

The OIG team discussed several other small, procedural issues during its visit to Chengdu, including the requirement to obtain CA authority before using locally developed data collection forms, removing the "P3A1" Consular Lookout And Support System lookouts for routine mantis security advisory opinion cases, and cleaning up the "Watchlist Promote" cases in the NIV processing software.

The relatively large number of issues points to a section that is overworked and that has not paid careful attention to internal controls. One part of the solution is for the minister-counselor for consular affairs to be more involved in assisting the constituent posts. As mentioned earlier, the OIG team counseled the principal officer to focus more on the resource needs of the consular section. Finally, the consular section chief, while hugely appreciated by the consular section staff, needs to strive to more effectively represent and promote the section's resource requirements. The OIG team counseled the section chief on this matter.

American Citizen Services

American citizen services cases at Consulate General Chengdu rose from 901 cases in FY 2006 to 2,632 in FY 2009—an increase of almost 200 percent in 3 years. The section appropriately focuses its most experienced officers and LE staff on serving the U.S. citizen community. At the time of the inspection, the section staff had to visit only one U.S. citizen prisoner.

Considering that the inspection of Mission China coincided with the 2-year anniversary of the great Sichuan earthquake that left 87,000 dead or missing, the level of emergency planning in the consular section is not adequate. The warden system is only 50 percent complete. Like much else in the section, emergency planning has fallen prey to the crush of visa applicants.

**Recommendation 33:** Embassy Beijing should require Consulate General Chengdu to finish updating and test its warden system. (Action: Embassy Beijing)

Consular Section - Guangzhou

The consular section is a massive operation with 100 employees working effectively in an impressive physical space that spans over 150 yards from one end to the other. The section is located several miles away from the rest of the consulate general on the fifth floor of a high-rise building in a fast growing commercial district. Morale among employees is high.

Guangzhou is the only consular section in Mission China that processes immigrant visas. The consular section chief is well liked and gives his mid-level officers freedom to run their own units. The chief's staff particularly praised him for ensuring that the new consulate general building plans had sufficient consular workspace.

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## Staffing/Space

The consular section has abundant space and adequate staffing. Indeed, according to CA's online consular workload and statistics system, the immigrant visas unit is overstaffed by 7.54 American officers. The section argues that the standard analysis

by CA on immigrant visas officer productivity does not apply to Guangzhou because their cases are more complex. The overstaffing is due to a steady decline in immigrant visa cases from 57,707 in FY 2005 to 38,318 in FY 2009—a decrease of 34 percent over 4 years. The OIG team concurred with the section chief's decision to transfer three vice consuls from the immigrant visa unit to the NIV unit to deal with the summer NIV rush.

Because the consular section has all four of the standard consular units (ACS, NIVs, immigrant visas, and fraud management), it gives consular-coned officers an opportunity to have a well-rounded experience during a 2-year tour. At present, ELOs coordinate rotations themselves, and there is no standard operating procedure to require consular-coned officers to have different rotations. The OIG team made an informal recommendation to this effect.

### Immigrant Visas

The consulate's immigrant visas operation is well run, thanks to the efforts of an exceptionally capable immigrant visas chief. Five teams divide the large but decreasing workload, giving first-tour ELOs excellent management experience. In the recent past, four employees have been released for malfeasance, three of whom were LE staff. The unit appears to have an appropriate level of internal controls and good line-of-sight supervision.

Another concern for Guangzhou is the shipment of hard-copy case files from the United States to China. Average shipping time for the case files is generally 2 months, though occasionally deliveries are delayed in Chinese customs. In the past 18 months, 5 shipments out of 73 have been delayed by an average of 4 months. While the number of shipments is not great, they contained 1,150 cases, which had to be rescheduled. The immigrant visas unit in Guangzhou has been encouraging the National Visa Center to expand a pilot project of scanning immigrant visa cases and transferring them electronically. The OIG team applauds this initiative.

**Recommendation 34:** The Bureau of Consular Affairs should expand the electronic file transfer of immigrant visa cases to decrease transit time and reduce the need for storage of paper files. (Action: CA)

## Nonimmigrant Visas

The NIV unit is functioning well and increasing production due to the addition of more interviewing officers. However, line officers complained that the March 2010 introduction of the new, online NIV form (DS-160) has disrupted processing greatly, primarily because it was taking too long to download the form from the server in the United States to the workstation in Guangzhou. Because of the resulting bottleneck, consular management was scheduling about 25 percent fewer interviews per officer—a huge decrease.

When the OIG team measured the actual download times in mid-May, they were only 3 to 5 seconds per form. With the few exceptions, it did not appear that the OF-160 form was causing undue complication in the adjudication process in Guangzhou.

## American Citizen Services

ACS staff members serve Americans promptly and courteously. The ACS unit, rather than the immigrant visas unit, processes immigrant visas for Chinese children who have been adopted by American parents. The OIG team believes that the immigrant visas unit can give American citizen adoptive parents the same excellent service they now enjoy in the ACS unit. While the informal recommendation to remove the adoptions from the ACS unit is easy, it is less obvious where they should go. In the short term, they belong in the immigrant visas unit in Guangzhou. In the medium term, Beijing is a logical choice, because it is the headquarters of the China Center of Adoption Affairs and because most adoptive parents pass through Beijing anyway. Given present space considerations, it might make sense to review the move once the Beijing annex is finished. The OIG made an informal recommendation addressing this issue.

## Fraud Prevention

The most salient characteristic of consular work in Guangzhou is fraud. Because of traditional emigration from Guangdong and Fujian provinces, the immigrant “pull” to the United States is strong. Purveyors of fraud in the region have a long history of sophisticated schemes to circumvent legal immigration rules. The fraud unit in Guangzhou, which is staffed by an FS-03 manager and two first-tour ELOs, is not doing its job. During the 2-week visit of the OIG team, the fraud unit did not disseminate any information to the consular officers on fraud trends. Fortunately, the assistant RSO for investigations has stepped up and did send out four alerts during that same time.

Consumers of the fraud unit's products were generally unimpressed, and one manager stopped making routine fraud referrals because of a lack of value added. To strengthen the unit, Guangzhou should create a fraud prevention plan, as outlined in 7 FAH-1 H-935.1 b. As noted previously, the Guangzhou section chief had not actively engaged with the situation or addressed the issue of fraud unit management.

**Recommendation 35:** Embassy Beijing should require that Consulate General Guangzhou create a fraud prevention plan, including standard operating procedures and relevant metrics for supporting the fraud unit. (Action: Embassy Beijing)

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## Consulate Section - Shanghai

Third in size among the consular sections in China, Shanghai's 18 officers and 42 LE staff are struggling to meet the burgeoning demand for NIVs and ACS support in the commercial heart of China. An FS-01 consular section chief manages the section, assisted by an FS-02 NIV chief and an FS-02 ACS chief. An additional FS-03 deputy NIV chief/fraud prevention manager should arrive in 2011. The good morale—in the face of the work demands—is a tribute to section managers.

## Location

The consular section's physical separation from the rest of the consulate general is an ongoing challenge. The consular chief spends considerable time traveling back and forth. It is 20 to 40 minutes by car each way, depending on traffic conditions. Consular staff feels isolated and disconnected from the rest of the consulate general

and mission. It is extremely difficult and disruptive for consular staff to leave the section and participate in the periodic mission digital video conferences. The OIG made an informal recommendation to install a digital video conference facility in the consular section.

### Nonimmigrant Visas

Shanghai is ground zero for visa demand in China as workload increases faster than any other major visa operation. May 2010 set a new record of over 20,000 applications, up 34 percent from May 2009 and nearly 10 percent greater than their previous all-time high month (December 2009). The NIV unit has demonstrated an admirable ability to produce additional operational efficiencies in their work process. In spite of all efforts, appointment wait times have continued to grow and as of June 2010 had exceeded 80 days. They appear to be approaching the limit of what they can do within their existing facilities.

The pressure of daily work has produced some procedural shortcomings such as in the visa referral system noted previously.

### American Citizens Services

Shanghai's draw as the economic and commercial engine of China is reflected in its ACS workload. Shanghai's ACS processes over 40 percent of all passport applications in China and ACS demand is also increasing at a 20 to 25 percent annual rate. Routine services are provided on an appointment basis, but this system is not enforced and some days there are as many as 70 walk-in cases to match the 70 appointments. There is no backlog of ACS appointments. The OIG team counseled consular section management to enforce their existing appointment system to make maximum use of their limited waiting room and interview window space.

### Fraud Prevention

The fraud prevention unit functions well and is thoroughly integrated into the visa and passport operations. Officers refer suspect cases and the unit investigates them within a few hours or days. There is excellent cooperation between the fraud prevention manager and the assistant RSO for investigations, who works successfully with local authorities to obtain prosecutions and convictions in document forgery and human smuggling cases. The fraud prevention manager and assistant RSO for investigations meet regularly with counterparts from other consulates in Shanghai.

## Consular Section - Shenyang

The consular section is performing well. The consular chief is an FS-03 officer in an FS-02 position in his first role as a consular manager. His deputy is on a one-year assignment. Together they form a good team supervising four first-tour ELOs. While the section as a whole runs efficiently, neither the consul general in Shenyang nor the consular country coordinator in Beijing has provided the section chief with much guidance for this busy operation. This, combined with the lack of practical experience, contributed to the vulnerabilities that resulted in the recent investigation and dismissal of one LE staff member for malfeasance. The chief and deputy have now addressed these procedural vulnerabilities.

### Access

A complicating factor for providing consular services in Shenyang is the limited access to the consulate, due to the presence of the Chinese People's Armed Police. As a response to intrusions by North Korean asylum seekers, People's Armed Police guards insist on having a list of all visitors and consular clients at least 24 hours in advance. This requirement includes visa applicants and Americans seeking citizen services.

If an American citizen were to approach the consulate without identification (for instance, having lost a passport), particularly outside working hours, it is not clear how that person would be received by the People's Armed Police or what the consulate guards or duty personal should do. The OIG team made an informal recommendation to clarify this situation.

### Nonimmigrant Visas

Shenyang's NIV workload is growing dramatically; second quarter visa application volume was up 32 percent from FY 2009, and 18 percent higher than it was in FY 2008. The section is largely keeping up with the workload, but the press of work has resulted in some procedural shortcomings, especially in the visa referral system as noted previously.

### American Citizen Services

American citizen services are growing as a result of increasing American investment in Shenyang's consular district. The section focuses appropriate attention to serving the U.S. citizen community. Routine services are provided by appointment. Section staff visit four U.S. citizen prisoners regularly.

The section recently revitalized the warden system and validated it with test messages. Several section employees commented on their lack of crisis preparation. The OIG team made an informal recommendation that the consulate general dedicate one or more of their monthly training days to crisis response planning.

There is no clear signage visible from the street providing basic information on the consulate's operating hours, how to make routine appointments via the Web site, or how to contact the consulate general after hours, in case of emergency. Combined with the problems of access due to the People's Armed Police presence, this situation presents a potential problem for persons seeking assistance outside of working hours. The OIG team made an informal recommendation that the consulate general improve signage to address these points.

## Consulate Section - Wuhan

While providing emergency ACS support is Wuhan's first priority, there are only a couple of such cases per month. All routine ACS and visa services are handled from Beijing. The consul general receives about five visa inquiry calls a day and one email a week from U.S. business representatives.

Americans wishing to contact the consulate general via the phone are led into a confusing recorded message that at one point invites the caller to push "0" to reach a receptionist who does not exist. The message, which alternates in English and Chinese as each sentence is translated sequentially, eventually arrives at a point where the caller is advised to hang up and call the U.S. embassy in Beijing if they have an ACS emergency. The number that is given did not work when the OIG team dialed it from a cell phone. Since providing emergency ACS support is a core justification for any consular post, the present answering system in Wuhan is unacceptable.

**Recommendation 37:** Embassy Beijing should require that Consulate General Wuhan provide accurate information on its automated telephone answering system, including information at the beginning of the message for American citizens in emergencies. (Action: Embassy Beijing)

## VOICE OF AMERICA (VOA)

The OIG prepared a separate memorandum report to the Broadcasting Board of Governors. The OIG team informally recommended that the U.S. direct-hire staff at VOA Beijing register with the Embassy Beijing warden system.

~~**SENSITIVE BUT UNCLASSIFIED**~~

~~**SENSITIVE BUT UNCLASSIFIED**~~

## RESOURCE MANAGEMENT

Agency	U.S. Direct- Hire	FMA & EFMs	LE Staff	Total Staff	Funding FY 2010
Department of State (Department) – Program	229	25	62	316	\$ 18,696,000
Department – ICASS	78	66	682	826	35,800,700
Department – Diplomatic Security	12	0	0	12	2,128,778
Department – Bureau of Overseas Buildings Operations	24	2	2	28	23,673,013
Department – Public Diplomacy	29	6	114	149	3,768,130
Department – Public Diplomacy Representation	0	0	0	0	37,500
Department – Consular Affairs	94	34	173	301	2,920,089
Department – Representation	0	0	0	0	137,000
Department – MSG Support	30	0	3	33	444,246
Broadcasting Board of Governors Affiliates	2	0	2	4	Not available
<b>Subtotal State Department</b>	<b>498</b>	<b>133</b>	<b>1,038</b>	<b>1,669</b>	<b>87,605,456</b>
					Not available
Department of Agriculture (DOA) – Foreign Agriculture Service	6	0	11	17	955,378
DOA – Agricultural Trade Office	6	0	30	36	2,223,551
DOA – Animal Plant Health Inspection Service	3	0	3	6	359,059
Department of Commerce (DOC) – Bureau of Industry & Security	2	0	2	4	322,050
DOC – Import Administration	2	0	3	5	506,409
DOC – U.S. Foreign and Commercial Service	23	1	100	124	4,838,566

(Table continued on next)

(Table continued)

Agency	U.S. Direct- Hire	FMA & EFMs	LE Staff	Total Staff	Funding FY 2010
DOC – Market Access & Compliance	3	0	4	7	284,300
DOC – U.S. Patent & Trademark Office	2	0	5	7	633,474
Department of Energy	4	0	4	8	Not available
Department of Health & Human Services (HHS) Nat'l Institutes of Health – National Cancer Institute	1	0	0	1	38,000
HHS – Nat'l Inst. for Allergy & Infectious Diseases	1	0	0	1	52,000
HHS – Office of Global Health Affairs	1	0	1	2	120,000
HHS – Centers for Disease Control Detail	1	0	0	1	12,000
HHS – Food and Drug Administration	8	0	5	13	1,245,600
HHS – Centers for Disease Control & Prevention	12	1	42	55	2,982,831
HHS – Centers for Disease Control & Prevention Global AIDS Program (PEP-FAR)	0	0	0	0	590,000
Department of Homeland Security (DHS) – Citizen & Immigration Refugee Asylum	9	0	16	25	815,640
DHS – U.S. Secret Service	1	0	0	1	466,236
DHS – Transportation Security	2	0	3	5	580,000
DHS – U.S. Coast Guard	1	1	1	3	153,000
DHS – Immigration and Customs Enforcement	6	0	5	11	Not available
DHS – Customs & Border Protection International Affairs	2	0	3	5	Not available
DHS – Customs & Border Protection Container Security	7	0	2	9	Not available

(Table continued on next)

(Table continued)

Agency	U.S. Direct- Hire	FMA & EFMs	LE Staff	Total Staff	Funding FY 2010
Defense Intelligence Agency	31	0	7	38	1,849,120
Department of Justice (DOJ) – Drug Enforcement Admin.	4	1	3	8	116,624
DOJ – Criminal Division	1	0	0	1	139,000
DOJ – Federal Bureau of Investigation	4	0	0	4	246,445
Department of Treasury – IRS	2	0	2	4	Not available
Department of the Air Force – Students	4	0	0	4	Not available
Department of the Army – Students	6	0	0	6	Not available
Department of the Navy – Scholars	7	0	0	7	Not available
Dept. of Transportation – Federal Aviation Administration	4	0	3	7	Not available
Consumer Products Safety Commission	1	0	1	2	24,679
National Science Foundation	1	0	2	3	52,612
Peace Corps	3	0	0	3	-
U.S. Agency for International Development	2	0	3	5	706,000
<b>Subtotal Other Agencies</b>	<b>173</b>	<b>4</b>	<b>261</b>	<b>438</b>	<b>20,312,574</b>
<b>Total</b>	<b>671</b>	<b>137</b>	<b>1,299</b>	<b>2,107</b>	<b>\$107,918,030</b>

*Source: Embassy Beijing*

## EMBASSY MANAGEMENT

Under strong and effective leadership, the embassy management section provides adequate services to a large and diverse customer base. The new embassy compound provides an excellent support platform and, with few exceptions, the 2010 ICASS customer satisfaction survey and the OIG-administered workplace and quality of life questionnaire yielded high scores. Interviews with U.S. direct-hire and LE staff reflected similar levels of satisfaction with services at the embassy and the five consulates general.

The section is well led, collaborative, and operationally integrated. The management minister-counselor has redoubled efforts, with good results, to improve communications and support to the consulates. She visits each post at least once a year and holds a weekly video conference with management staff at all constituent posts. A medical officer visits constituent posts quarterly, as does a human resources officer. Financial management and facilities maintenance staff visit posts annually. In addition, the embassy management section provides temporary duty support to cover staffing gaps and to assist the consulates general with VIP visits. The front office places great confidence in the management section, taking an unobtrusive approach that empowers the section to function with reasonable guidance and a relatively free hand.

The rapid and continuing growth of Department program and other agency positions places increasing demands on an ICASS support base that endeavors to keep pace by improving processes. The ICASS council approved 24 of 53 new or reprogrammed positions that the mission service provider requested for FY 2010, based on a current needs analysis. The 24 positions are estimated to cost \$598,128 annually; all 53 would have cost \$1,473,476 annually. The mission expects that additional staffing will be needed in FY 2012 to support the move to the new consular compound in Guangzhou and the new office annex in Beijing. Management is doing a good job pacing the growth of LE staff to account for the time it takes to hire and train them.

Mission China has a substantial EFM employment program. The embassy has 86 EFM positions, of which 77 are filled. The four consulates general combined have 58 positions, of which 38 are filled. The OIG team was present at one of the mission's employment committee meetings and found the hiring process of EFMs to be systematic and transparent. The majority of spouses who are eligible and want to work are afforded the opportunity to do so. For example, Consulate General Guangzhou employs 21 EFMs, which is 35 percent of all U.S. direct-hire employees.

## Chengdu Management

The management section provides excellent support to its customers. ICASS scores were generally high, and the OIG survey confirmed this finding. Management is proactive and working to improve weaker areas.

## Guangzhou Management

Overall, management support is excellent. Most ICASS scores exceeded EAP and worldwide averages, but ICASS staffing is insufficient. Program and LE staff positions increased 115 percent and 75 percent over 9 years, but during the same period only one LE staff position was added to the management section. The ICASS council recently approved a much-needed assistant general services officer (GSO) position and a U.S. direct-hire nurse practitioner position. The consulate general has asked the embassy for additional LE support staff.

## Shanghai Management

Despite a heavy visitor workload, insufficient staff training, infrastructure deficiencies, and a lack of automated systems, the consulate general is working to provide adequate services to its customers. ICASS customer service scores are above average. Internal controls and general services operations will improve with the deployment of ILMS by October 2010.

## Shenyang Management

The management section provides adequate support. An officer doing an overseas management job for the first time gets good support from the embassy. A first-tour specialist supervises general services. In spite of the best efforts of these officers and a facilities maintenance specialist, the 2010 ICASS customer satisfaction survey reflects dissatisfaction with procurement, maintenance, supplies, and housing. The consulate general has implemented 60 percent of eServices, WebPASS, and the ILMS module for motor vehicles. The State Messaging and Archive Retrieval Toolset will be implemented in June 2010. Automation will help improve management operations.

## Wuhan Management

The embassy supports all management functions, and an assistant GSO is designated as liaison to the consulate general.

## FINANCIAL MANAGEMENT OPERATIONS

The financial management unit provides good support to the embassy, its 5 constituent posts, and 46 serviced entities. From 2005 to 2009, the unit consistently received high ICASS scores in all categories, exceeding worldwide and EAP averages. With the implementation of the E2 Solutions travel application, 2010 scores were slightly lower than average. When the system was implemented, travelers were frustrated with some software glitches. It took longer than usual to authorize and certify travel plans, which delayed payment. There was widespread dissatisfaction with the system, and customers stated that the E2 system was not user-friendly—a finding confirmed by the OIG survey and interviews. One positive benefit of using E2 Solutions is that, once certified, travel vouchers usually are paid within 3 to 5 days. E2 Solutions also has significantly reduced the number of unprocessed travel vouchers.

The financial unit is taxed by extra work during special events and numerous VIP visits. The unit manages a budget of about \$106 million. In 2010, ePerformance, eServices, E2 Solutions, the Collaborative Management Initiative, and the State Messaging and Archive Retrieval Toolset were installed. ILMS is expected to be installed in October 2010. In addition, the Bureau of Resources Management is developing a new cashiering system, but the installation date is unknown. Connectivity speed has been an issue with all electronic applications. Collateral duties have strained the unit's ability to clean up old transactions, an issue which is discussed in the Management Controls section of this report.

Staffing is adequate, when positions are filled, although an upcoming curtailment likely will create a need for temporary assistance. The LE staff financial specialist has certifying authority, but is authorized to certify only in emergencies. To help fill staffing gaps, the financial specialist, once trained, will start to certify payments up to \$10,000. The OIG team concurs with this decision; LE financial specialists are allowed to certify payments at other posts worldwide. The unit has outsourced its permanent change of station travel voucher processing to the Bangkok Financial Service Center's post support unit. This arrangement works adequately.

### Banking

Cashiering management controls are in place. The Bangkok Financial Service Center recently reviewed the cash advance level at the embassy and the five constituent posts, and found the level at each post to be appropriate. Oversight is good; four staff members review constituent post cash reconciliations monthly. The financial management office staff conducts site visits annually. The cashier conducts site visits periodi-

cally. Although desirable, a local commercial bank cannot provide accommodation exchange because of security. After 31 years, the banking agreement is being rebid. The use of automated teller machines is being explored, but there are security concerns.

## International Cooperative Administrative Support Services

The ICASS system functions effectively. The 11 parent agencies each have a designated representative who sits on the council. There are also ICASS budget committee meetings, which allow agencies greater participation in fiscal issues. For example, at the budget level, the participants determined that 24 of the 53 ICASS positions requested in the FY 2011 MSRP would be funded and approved. They based their decision on priority and cost. The ICASS council gave each management section a chance to make its case for additional positions. In the end, because of cost constraints, only 24 positions were added, costing \$598,128 annually. It would have cost \$1,473,476 annually to fund all requested positions. The decision to approve the 24 positions was made at one time, which shows exceptionally good cooperation and quick action by the ICASS council. To enhance transparency, the ICASS council posts all meeting minutes, regulations, and documents related to ICASS on the Beijing SharePoint site.

## HUMAN RESOURCES

The human resources section has kept up with the growth of the mission despite many challenges. It received only average scores on the 2010 ICASS customer satisfaction survey. The section normally is supervised by an FO-O1 human resources officer, but an FS-03 has filled the position since spring 2009. The office is staffed with 5 U.S. direct-hire staff, 13 LE staff, 1 professional associate, 7 EFMs, and 12 while-actually-employed staff. There are two LE staff vacancies in the classification and recruitment sections, which are the two areas of human resources the embassy community has most criticized.

Supervisors have assigned LE staff additional duties to compensate for mission growth and staffing gaps, particularly at the consulates general, but they have not updated position descriptions to reflect added responsibilities. Supervisors must certify on the employee performance report for locally employed staff that the position description is current and accurate. The OIG team noted that, in many cases, supervisors had indicated wrongly that position descriptions were current and

accurate. In some cases, the documents had not been updated for 4 years. Outdated position descriptions are a mission-wide shortcoming that will require the action of the employee, supervisor, and the human resources officer to resolve per 3 FAH-2H-441.4.

**Recommendation 38:** Embassy Beijing should schedule and complete an annual review of all embassy employees' position descriptions, and update them accordingly. (Action: Embassy Beijing)

Management policies are up-to-date. The embassy has updated its LE staff handbook and local compensation plan and posted both on the SharePoint site in English and Chinese. The embassy is conducting town hall meetings to discuss the new handbook. Mission management emailed an electronic version to the LE staff from other agencies without access to SharePoint.

The embassy hosted a team from the Bangkok Regional Support Center to train staff on LE supervisory skills, customer service, and LE evaluations. In 2007, the embassy issued a training policy for LE staff, but it has yet to formulate a strategic plan to determine training priorities. Instead, training requests appear to be approved based on the availability of courses and funding, without reference to what would best advance the embassy's MSRP goals.

More than half of the mission's LE staff has not completed a work and development plan as required by the embassy's performance management policy. An annual, prioritized list of training requirements for both LE and American staff would help the mission to spend training funds more efficiently and effectively.

**Recommendation 39:** Embassy Beijing should develop and implement a plan that sets priorities for the training needs of Department of State and International Cooperative Administrative Support Services employees and relate them to Mission Strategic Resource Plan goals. (Action: Embassy Beijing)

## Equal Employment Opportunity

Mission China has a large and effective Equal Employment Opportunity (EEO) program, with 13 American EEO counselors and 46 LE staff liaisons. There are no pending EEO cases.

In December 2009, instructors from the Office of Civil Rights conducted on-site training for 1200 employees. EEO counselors meet with the Ambassador or DCM quarterly, and host a monthly “get to know your EEO Counselor” brown bag lunch. The inspection team observed scheduled meetings to be a good practice. The embassy provides EEO information via management notices and bulletin board displays throughout the mission. An EEO page on Mission China’s SharePoint site lists the embassy’s EEO policies and provides links to Department resources. The embassy has conducted mandatory sexual harassment training for all staff and designated two counselors to the Federal Women’s Program. The counselors host several activities each year to promote career opportunities and advancement for women. They maintain a page on the SharePoint site with upcoming events and links to information on women’s issues.

## GENERAL SERVICES OPERATIONS

The general services section is amply staffed with U.S. direct-hire, EFM, and LE staff, as well as contract employees from PAE Government Services, Inc. The section provides good services. Five assistant GSOs focus on specific portfolios, such as housing, procurement, motor pool, and property, allowing the supervisory officer to concentrate on leadership and management of the very large section. Deliberate attention to team building and communications has yielded improved collaboration among units. Processes are clearly defined, units coordinate well at key interface points along the supply chain, and internal controls are sufficient. Questionnaire and survey results indicate a high level of satisfaction with most services. Some customer dissatisfaction may be attributable to Department-mandated software programs, such as eServices, ePerformance and E2 Solutions, which did not receive good reviews.

### Supply Chain Management

Procurement, receiving, and financial management use WebPASS applications that give all parties full access to transactions. The Department’s automated financial management and procurement systems still do not interact directly with one another, so financial management center personnel enter data required to indicate funds availability and, later in the process, to indicate final payment. Based on that information, the procurement section closes out purchase orders. The implementation of ILMS in October 2010 should bring to the constituent posts the same integration of procurement, property management, and financial management functions.

## Procurement

The procurement unit is adequately staffed and observes proper acquisitions procedures. Workload is heavy but manageable, and the unit uses the automated WebPASS procurement system effectively, allowing the unit to track actions through procurement and receiving to final payment, which permits proper close-out of purchase orders.

Despite sound procedures, the latest ICASS customer satisfaction survey rated the procurement unit's performance below worldwide and regional bureau averages. Two factors may explain the relatively low scores. First, one agency consisting of 24 respondents rated procurement services at 2.79, which was far below the scores given by other agencies and heavily affected the overall rating. Second, the embassy does not take full advantage of blanket purchase agreements, purchase cards, and bulk funding to expedite acquisitions.

The management section has addressed the first factor by reaching out to the disaffected agency, with a view toward addressing its discontent. In regard to the second factor, the financial management section and general services office have begun discussions to start bulk funding for one blanket purchase agreement on a test basis. Reluctance to fund in bulk is a recurring, tension-creating problem between the financial management and procurement units at many embassies. Procurement units view bulk funding as a means to streamline the acquisitions process. However, many financial management sections refuse to implement bulk funding, preferring to exercise more direct control over funds. The Department's 2006 telegraphic guidance to the field on this subject failed to resolve differences between financial management and procurement units at many missions.

**Recommendation 40:** The Bureau of Resource Management, in coordination with the Office of the Procurement Executive should issue joint instructions to all diplomatic and consular posts outlining the Department's financial management and procurement policy and procedures on bulk funding of blanket purchase agreements and purchase cards. (Action: RM, in coordination with A)

Consulate Guangzhou is not procuring residential furniture and furnishings from the Department's Drexel Heritage Furniture contract, nor has it sought an exemption from the Office of the Procurement Executive. Instead, the consulate is purchasing its furniture from a local manufacturer located about 2 hours away, citing better value based on cost, quality, compatibility with residences, and convenience of ordering/delivery. There is a common understanding that the Drexel Heritage Furniture contract is a mandatory source of procurement. Guidance in forums such as the

Department's "Ask Admin" Web site reinforce this understanding, but the OIG inspector found no formal policy, legislative, or regulatory basis for the requirement. The Bureau of Administration's Office of Acquisitions Management indicated that the policy is "a little ambiguous."

**Recommendation 41:** The Bureau of Administration should provide clear policy and procedural guidance, including legislative and/or regulatory bases, to Embassy Beijing regarding the requirement to purchase residential furniture using the Drexel Heritage Furniture. (Action: A)

## Customs and Shipping

The customs and shipping unit functions well. During the inspection, the embassy appeared on the verge of a breakthrough on customs clearance that could expedite delivery of household effects, unaccompanied air baggage, and personally owned vehicles. Instead of clearing effects when employees are issued their diplomatic identification cards, which can take 30 to 45 days, the customs office will clear them upon proof of application for the identification card. This change in procedure will cut weeks off the current time frame, resolve the biggest source of customer dissatisfaction in this ICASS cost center, and significantly improve morale. This solution applies only to Beijing, however, so the embassy will advise and help the constituent posts to effect the same change in policy with their local counterparts.

## Motor Pool

On the mission's most recent ICASS customer satisfaction survey, the motor pool earned the highest score of all ICASS cost centers. The section is staffed to handle day-to-day operations as well as the numerous, high-level visits. During extreme surges in activity, the motor pool uses two blanket purchase agreements to hire outside car and driver services.

The unit makes full use of the WebPASS Vehicle Registration and Maintenance application. An administrative clerk enters information into the system, including data on daily usage mileage, fuel consumption, and maintenance. The embassy also maintains the daily vehicle usage record (Form OF 108) as required, even though this data largely duplicates the WebPASS input. The fuel program uses debit cards that are issued by the state petroleum company and controlled by an assistant GSO. Drivers are issued a card each time they top off a vehicle's gas tank, and they fill out

a form that indicates amount and cost of fuel, as well as mileage information. Unfortunately, service stations do not issue a receipt, which would be a useful internal control; the only documentation for each purchase is the form completed by the driver. An OIG inspector verified the vehicle identification numbers of the 72 vehicles listed on the embassy's Inventory of On Hand Vehicles report dated May 5, 2010, noting two alphanumeric discrepancies but accounting for all vehicles. There were minor discrepancies in Shanghai, but all vehicles were accounted for.

The embassy's vehicle usage policy is current and is augmented by management notices that reinforce rules such as payment of parking and speeding fines. The OIG team noted with approval a notice that admonished passengers to plan appointments carefully and not to pressure chauffeurs to operate their vehicles illegally or unsafely if running late.

In Shanghai, the windows of one armored vehicle (1999 Ford Crown Victoria, VIN: 2FAFP71W1XX230701) are so degraded that they are opaque, rendering the vehicle unusable. The OIG team informally recommended that the consulate either repair the windows or dispose of the vehicle.

## Property Management

The general services office manages its nonexpendable and expendable supply programs well, and ICASS customer satisfaction levels exceed worldwide averages. The warehouse is well organized, and outfitted with appropriate racking and mechanical handling equipment. Internal controls are adequate.

The assistant GSO responsible for property highlighted the improvement in receiving, particularly as the new embassy compound has an excellent receiving area and he has implemented some process improvements. His initiative in arranging for the translation into Chinese of pertinent portions of the Foreign Affairs Manual is particularly noteworthy. The primary receiving clerk was well versed in his responsibilities, and procedures appear to be working well for both goods and services. Information is input into the WebPASS system so that financial management and procurement units can monitor receipt, leading to final payment and proper close-out of purchase orders and contracts.

The embassy experienced some turmoil in property management in the wake of the October 2008 move to the new embassy compound and the move to a new leased warehouse, but it has taken steps to improve processes and accountability. The 2009 annual inventory yielded a shortage of almost 2 percent of the accountable, nonexpendable property, and the embassy took appropriate survey board action to

resolve disposition of the missing items. The property unit took steps to improve processes which, combined with increased familiarity with the new compound, resulted in a 2010 annual inventory with much better results, including the location of many items thought to be missing from the previous inventory.

Inventory procedures appear to be much improved, but weaknesses exist. Most of the missing property from the most recent inventory is information technology equipment, which was moved without notifying the property unit contrary 14 FAM 414.1-1 a.[6]. The embassy should establish processes that improve accountability for this equipment,

In addition, 132 employees had not signed their residential property inventories within 30 days of their arrival, as required by 14 FAM 416.3 g., to establish proper accountability. The embassy took immediate action and quickly pared the number to 83, but the mission needs to implement procedures that result in more timely action by residents.

**Recommendation 42:** Embassy Beijing should implement procedures for the timely and proper tracking and accountability of information technology equipment. (Action: Embassy Beijing)

**Recommendation 43:** Embassy Beijing should ensure that residential inventories are signed within 30 days of the arrival of the occupant. (Action: Embassy Beijing)

The absence of an automated system to manage property in controlled access areas reduces accountability and results in a cumbersome manual process that is time consuming and prone to inaccuracy. The embassy has consulted the Bureau of Administration's Office of Logistics Management, which has indicated that an asset management module for the secure ILMS would provide a solution.

**Recommendation 44:** The Bureau of Administration should provide Embassy Beijing with an automated asset management system to enhance its property management of items located in controlled access areas. (Action: A, in coordination with Embassy Beijing)

## Housing

Representation on the housing board is now better aligned with the agencies represented at the mission. The assistant GSO responsible for this portfolio has been proactive in conducting customer and market surveys and educating the board on its responsibilities. The housing pool is a mix of U.S. Government-owned and short-term lease residences. Employees generally have a choice regarding whether to live downtown (often within walking distance of the embassy) or in a suburban location.

The mission has participated in the Department's Rental Benchmark Initiative since September 2009 and has consistently maintained its "green" status. Both ICASS and OIG surveys indicate broad satisfaction with housing.

Many short-term lease residences are furnished by the landlord based on the embassy's determination that landlords prefer to provide furnishings and that rents would be the same with or without furnishings. OBO has approved this practice.

## Travel and Visitors

The assistant GSO responsible for this unit devotes much of her time to high-level visitors, coordinating with control officers and other management units to provide logistical and administrative support. The unit handles these responsibilities successfully and has been active in the solicitation for a new travel management contractor, which was in the last stages of procurement at the time of the inspection. The unit also was continuing to struggle with the changeover to E2 Solutions as its automated travel management solution. Despite the gradual roll-out of the new system and adequate training and technical support from the regional center in Bangkok, the transition has been difficult.

## Facilities Management

The facilities management section is well led and operates buildings systems efficiently and effectively. The senior facilities manager stretches his routine maintenance and repair budget to meet demands, and has presented a compelling case for basing the budget on systems and construction aspects of the buildings, rather than square footage. Based on those factors, he estimated that a routine maintenance and repair budget for Mission China would more appropriately be \$1.3 million, rather than \$300,000. The facilities manager plans to engage OBO and make his case for increasing the mission's 7901 allotment.

The facilities section is managing the work order system using eServices and the Department's standard Work Orders for Windows. If a facilities manager approves a request, it is translated into Chinese and tasked to a technician for completion. The process works well. However, since the stand-alone system for managing work requests for controlled access areas crashed, the section has resorted to manual methods. The facilities manager would like a simple, off-the-shelf application to track maintenance and generally maintain accountability for work requests and orders as they are processed and completed. The manager has asked OBO for assistance to procure a suitable application.

**Recommendation 45:** The Bureau of Overseas Buildings Operations should identify and help Embassy Beijing to acquire a suitable computer application to manage the work order/maintenance program for the embassy's controlled access area. (Action: OBO, in coordination with Embassy Beijing)

The safety, health and environmental management (SHEM) program is enjoying renewed emphasis. The embassy now has an LE staff assistant serving as post occupational safety and health officer who is trained and active. The SHEM committee met in January 2010, and in April a certified workplace safety instructor conducted training sessions for about 70 LE staff from the general services and facilities management units. Later in 2010, OBO will conduct a SHEM visit.

## Property and Buildings

The new embassy compound in Beijing is under construction, and progress is being made on the new consulate compound in Guangzhou. Both endeavors have involved high-level negotiations of special conditions of construction agreements and careful consideration of facilities needs of China in the United States, and vice versa. Much remains to be done, such as: determining how to resupply diplomatic facilities in China; constructing a new office annex in Beijing and new compounds in Shanghai and Shenyang; and converting Wuhan from a one-person post to a fully staffed consulate general. Representatives of the Undersecretary for Management, Bureau of Diplomatic Security, EAP, OBO, CA, and others are working in concert to achieve U.S. Government objectives with regard to facilities in China.

In Chengdu, all office space and residential dwellings, with the exception of the consulate general building, are leased. Twelve apartments on the compound are long-term leases, and 15 residential units are short-term leases. Housing ranges from fair to good. All housing is within OBO space and dollar thresholds.

In Guangzhou, a new consulate compound is scheduled for completion in February 2013. The post has begun its search for a new residence for the consul general; the landlord will not renew the lease after 2012. Personnel are housed in short-term leased apartments that meet OBO space and rental limits. In 2011, the office and residential complex owned by the White Swan Group will undergo a major rehabilitation, including demolishing a building adjacent to the consulate general office and residential tower. The mission has met with the White Swan Group to discuss potential health hazards and the structural integrity of the consulate general office building. The consulate general is also communicating with OBO on the issue.

## QUALITY OF LIFE

Embassy Beijing and its five constituent posts all receive a hardship differential, ranging from 15 to 30 percent, depending on such factors as pollution, climate, isolation, access to medical care, and contamination of food and water. Consulates General Chengdu, Shenyang, and Wuhan receive a consumables allowance. Language barriers, Internet intrusion, and a strict requirement to report contact with foreigners further affect the quality of life in China. Informing employees of these challenges and special requirements early in the assignment process would result in better informed bidders and potentially higher staff retention. At present, Mission China's post report, bidding tool, and post profiles do not adequately address them.

**Recommendation 46:** Embassy Beijing, in coordination with the Bureau of East Asian and Pacific Affairs, Bureau of Human Resources, and Bureau of Diplomatic Security, should inform prospective bidders of the full range of hardships and special requirements they will encounter at post, e.g., pollution, language, Internet intrusion, contact reporting, early in the assignment process through the bidding tool, the post report and post profiles. (Action: Embassy Beijing, in coordination with EAP, HR and DS)

Morale is generally good at China's larger posts, although it is mixed in Chengdu and Shenyang. With the exception of Shenyang, community liaison office services at all posts were highly rated. In Shenyang a newly hired community liaison office coordinator is awaiting a security clearance.

Health services also received a high score at the larger posts. In Beijing, embassy medical facilities are excellent. The health unit is staffed with a psychiatrist, physician, nurse practitioner, and medical technologist, all of whom make sufficient visits to constituent posts. Chengdu has added a nurse practitioner position, which should improve medical care and morale. In Shenyang, medical care is poor, which is reflected in its 30 percent hardship differential.

In Beijing, where parents have a choice of 28 schools in which their children can enroll, the quality of education received high scores: 4.48 on a 5-point scale. In Shanghai and Guangzhou, the quality of education also received high scores. Despite lower scores in Chengdu, parents reported that the five international schools there provide a good education. In Shenyang, schooling received a low score because there is no Department-assisted school;

## INFORMATION MANAGEMENT AND SECURITY

### Information Management<sup>4</sup>

In addition to Mission China's communication systems, the IM program is responsible for switchboard operations, telephone and radio management, and the classified and unclassified pouch operations. The IM staff follows Department's policies and guidelines as defined in 12 FAM 600. The OIG workplace and quality of life questionnaire results showed that all services are adequate, mission-wide.

Embassy China's IM officer oversees the information systems and information processing centers for Mission China. He is supported by an information systems officer who oversees unclassified systems' day-to-day operations, as well as an information program officer in charge of the classified system's operation.

The OIG team also consulted with Embassy Beijing and the consulates general on several matters, including electrical panels, backup tapes, openings into the server room, switch access and lock changes. These issues have been addressed satisfactorily.

Consulates General Guangzhou and Chengdu have server rooms without temperature sensors to warn of overheating, as required by 12 FAM 629.4-4 c. The rooms should have a device that notifies Post One or the duty officer in the event of overheating. If the server room overheats the equipment may malfunction, causing extensive damage and the loss of intranet, email, and Internet services for extended periods of time.

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<sup>4</sup> Management, staffing, and training issues are discussed in a previous section of the report.

**Recommendation 47:** Embassy Beijing should install a temperature monitoring device that notifies Post One or the duty officer in the event of overheating of the information systems center at Consulates General Guangzhou and Chengdu. (Action: Embassy Beijing)

[illegible][illegible]

The IM officer is not a member of the embassy's emergency action committee. His expertise in IM and communications is needed on the committee. The OIG team made an informal recommendation in this respect.

## Information Security

Embassy Beijing operates an adequate information security program. The constituent posts perform varied information security duties—from a complete program to minimal duties such as incident response and patching. Embassy Beijing has requested a regional information systems security officer, whose duties would include managing information security in Beijing and overseeing it at constituent posts. The officer’s responsibilities would include reviewing audit logs, searching for inappropriate material, and conducting cyber security training. The OIG team supports this request.

Additional issues are discussed in the classified annex to this report.

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## MANAGEMENT CONTROLS

### Management Section

The Chief of Mission exercises responsibility for certifying management controls on all mission operations. The August 2009 annual chief of mission management controls statement for Beijing and constituent posts noted that, taken as a whole, the system of management controls is effective and provides reasonable assurance that management control objectives are achieved. However, the OIG team found several management control weaknesses, described below.

#### General Services

Management controls at the embassy are sufficient and effective. Five assistant GSOs provide oversight of their individual portfolios and close supervision of day-to-day operations, exercising reasonable risk management and using sound practices to reduce vulnerability to waste and fraud. For example, as noted earlier, one officer controls fuel debit cards and another conducts unannounced spot checks on expendable and nonexpendable supply stocks. Automating the main components of the supply chain management system also provides a level of internal controls as officers have clear visibility on procurement, receiving, and financial management transactions at key points of the process. The OIG team found the GSOs to be actively and physically involved in their section's operations, which is another way to prevent malfeasance.

Management controls at the consulates general are not as strong, as they are not as well staffed with U.S. direct-hire or LE staff and have not implemented automated systems to facilitate oversight. The implementation of ILMS should significantly improve internal controls in general services and financial management.

#### Funds Management

Embassy Beijing is not consistently following departmental procedures contained in 4 FAM 087.2 for maintaining and monitoring post accounts. A review of financial records indicated the embassy needs to pay closer attention to monitoring status of

funds and status of obligation reports. The financial management office has asked general services to validate unliquidated obligations, but the general services office does not always provide this information. Sums from FY 2005 through FY 2008 remain obligated. In some instances, it is unlikely that certain obligations will ever be liquidated. To improve communication with the general services office, spreadsheets containing unliquidated obligations are posted on a SharePoint site. In FY 2010, the financial section deobligated 3,467 transactions, totaling approximately \$6.4 million. This effort is a good start, but more work is needed to clean up transactions from prior years.

**Recommendation 49:** Embassy Beijing should establish and implement procedures for maintaining and monitoring post accounts that include periodic monitoring of status of funds, obligations, and liquidation amounts. (Action: Embassy Beijing)

### Suspense Account

Transactions totaling \$5,056.45 have been placed in the suspense deposits abroad account. A few date as far back as FY 2005 to 2007. Department regulations (4 FAH-3 H-326.3-1 b.) state that suspense account balances must be reviewed quarterly, to determine if there are unclaimed balances that should be refunded to the depositor. The OIG team made an informal recommendation regarding the review and reconciliation of these accounts.

### Post Allowances

The embassy correctly administers differential allowances, but the OIG team discovered inconsistencies in tracking and terminating the allowances at the consulates general, where there are staffing shortages in the human resources and financial management sections. The lack of institutionalized processes and procedures that define responsibilities and fix accountability also contributes to the shortcomings.

The embassy has distributed a mission-wide management instruction detailing the process for cessation of post differential. Timekeepers in each section report to the payroll clerk when an employee is in an ineligible status. The payroll coordinator takes action to terminate the allowance and then reinstate it, as appropriate.

The consulates have no parallel system to control the starting and stopping of post differential allowances. Department of State Standardized Regulations Chapter 532 addresses the circumstances under which differential allowances should be termi-

nated, as well as exceptions. The consulates general are not observing these requirements. Under 4 FAH-3 H-533.10-3 c., employees also bear responsibility for verifying their leave and earnings statements and reporting periods of ineligibility for post differential allowances, as well as any overpayment.

**Recommendation 50:** Embassy Beijing should develop and implement standard operating procedures, particularly at the consulates general, for terminating and starting differential allowances. (Action: Embassy Beijing)

Failure to stop differential allowances almost certainly has resulted in overpayment to employees. The embassy should take action to correct past errors and reconcile any indebtedness. Regulations such as 4 FAM 493.1 outline the embassy's responsibility to make the initial collection effort. This may prove to be labor- and time-intensive, but the embassy should take the required action to correct these errors.

**Recommendation 51:** Embassy Beijing should develop and implement standard operating procedures, particularly at the consulates general, for identifying and collecting overpayment of post differential allowances to employees. (Action: Embassy Beijing)

## Consular Management Controls

### Beijing

The OIG team reviewed consular accountability. Appropriate officers are reviewing visa adjudications at all levels. The section is maintaining appropriate inventories. The consular shared tables, which control access to consular software applications, are up-to-date. The accountable consular officer supervises cashier operations correctly, without discrepancy.

### Chengdu

The OIG team found consular accountability generally good. The section chief serves as the accountable consular officer and exercises her responsibilities well. The consular chief allows an ELO backup to perform accountable consular officer duties under her supervision, so the backup is prepared to fill in if necessary. Cash files are in order and no discrepancies were noted. The only variances from 7 FAH-1 H-771

were that individual automated cash register system receipts were being kept unnecessarily, and all four of the monthly automated cash register reports (rather than just the monthly consular services report) were attached to the daily accounting sheet. The section immediately ceased these practices when the OIG team pointed out that they were unnecessary.

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(b)(2)(b)(6)(b)(2)(b)(6) Only active and authorized users have access to the consular shared tables. The only variance the OIG team uncovered was that the accountable consular officer did not have a separate, automated cash register ID, as required by 05 State 151469. When the OIG team pointed out this oversight, the accountable consular officer immediately created one.

Adjudication review is an important internal control. The Department requires in 9 FAM 41.113 PN17.1, that at least 10 percent of all NIV adjudications be reviewed. The same regulation mandates higher numbers for adjudications of new officers and in certain other cases. In the past year, Consulate General Chengdu reviewed, on average, only 3.8 percent of all NIV adjudications.

**Recommendation 52:** Embassy Beijing should institute controls to ensure that Consulate General Chengdu performs nonimmigrant visa adjudication reviews in accordance with Department regulations. (Action: Embassy Beijing)

## Guangzhou

Consular accountability is a serious shortcoming in Guangzhou, where mid-level accountable officers have passed the responsibility on to their first-tour ELO back-ups. One accountable officer acknowledged never performing daily accountability, because an ELO was doing it. CA requires that experienced officers be accountable, whenever possible. In addition, the transfer of accountability from the accountable consular officer to a back-up was not consistently documented, leading to gaps in clear accountability.

**Recommendation 53:** Embassy Beijing should require that mid-level accountable consular officers perform their duties in accordance with the Consular Management Handbook. (Action: Embassy Beijing)

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Consular cash accountability records are complete and funds properly accounted for. The OIG team found a few minor anomalies in the procedures: for instance, the individual cash register receipts are being kept unnecessarily, and the class B cashier in the management office is preparing a redundant spreadsheet of daily deposits, which duplicates the consular daily accounting sheet. Finally, the LE staff cashier in the consular section has three back-up cashiers, which is too many. The OIG counseled the section to reduce them.

A report of NIV adjudication review in Guangzhou from May 13, 2009, to May 12, 2010, showed that the NIV unit chief is reviewing adjudications appropriately. The consular section chief, however, had only reviewed 4 percent of the unit chief's 1,621 cases, which is well below the 10 percent that 9 FAM 41.113 PN17.1 a. requires, which represents a vulnerability.

**Recommendation 54:** Embassy Beijing should require consular managers at Consulate General Guangzhou to perform visa adjudication review as required. (Action: Embassy Beijing)

## Shanghai

Consulate General Shanghai is maintaining appropriate inventories, properly reviewing visa adjudications, and keeping user access tables in the consular automated systems up-to-date. Five persons hold administrative roles in the consular shared tables (a rather large number), and in several instances untenured ELOs are serving as accountable consular officers for various functions, despite the ample number of mid-level officers to perform these functions. The OIG team made informal recommendations concerning these items.

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**Recommendation 55:** Embassy Beijing, in coordination with the Bureau of Consular Affairs, should establish a new full-time cashier position for Consulate General Shanghai. (Action: Embassy Beijing, in coordination with CA)

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## Shenyang

The OIG team reviewed consular accountability. Visa adjudications are correctly reviewed. The section chief is the accountable consular officer, and his deputy is the back-up. Cashier files are in order, and no discrepancies were noted. Inventories are appropriate. The section keeps access to consular software applications through the consular shared tables up to date.

## LIST OF RECOMMENDATIONS

**Recommendation 1:** Embassy Beijing, in coordination with the Bureau of East Asian and Pacific Affairs and the Office of Management Policy, Rightsizing and Innovation, should prepare an analysis of anticipated growth in the U.S. Government presence in China that prioritizes options for short-term fixes and long-term solutions and aligns human resources, financial resources, and facilities; this analysis should include a review of the proposal to retain existing consular office space in Guangzhou following the move to a new consular office complex in 2012. (Action: Embassy Beijing in coordination with EAP and M/PRI)

**Recommendation 2:** Embassy Beijing, in coordination with the Office of Management Policy, Rightsizing and Innovation, should undertake rightsizing exercises at Embassy Beijing and Consulates General Shenyang, Chengdu, and Wuhan to coordinate staffing proposals that address projected mission growth throughout China. (Action: Embassy Beijing in coordination with M/PRI)

**Recommendation 3:** Embassy Beijing, in coordination with the Bureau of Consular Affairs, should establish visa reciprocity negotiations with the Chinese as a front-office priority. (Action: Embassy Beijing, in coordination with CA)

**Recommendation 4:** The Bureau of Consular Affairs should enhance the OF-160 online nonimmigrant visa application form by collecting required data to automatically complete routine security advisory opinions. (Action: CA)

**Recommendation 5:** The Bureau of Consular Affairs, in coordination with the Bureaus of Diplomatic Security and Resource Management and Embassy Beijing, should enable the Global Support Strategy for Mission China and should approve off-site data and biometric collection in China. (Action: CA, in coordination with DS, RM, and Embassy Beijing)

**Recommendation 6:** The Bureau of Overseas Buildings Operations, in coordination with Embassy Beijing and the Bureaus of Consular Affairs and East Asian and Pacific Affairs, should secure new commercial facilities for the consular section in Shanghai for occupation by the expiration of the current lease. (Action: OBO, in coordination with Embassy Beijing, CA, and EAP)

**Recommendation 7:** Embassy Beijing, in coordination with the Bureau of Consular Affairs and the Office of Overseas Buildings Operations, should create additional consular workspace at consulates general Chengdu and Shenyang, by reducing the space allocated to information resource centers and reallocating it to the respective consular sections. (Action: Embassy Beijing, in coordination with CA and OBO)

**Recommendation 8:** Embassy Beijing should require that the Ambassador take an active role in building a well-functioning economic team, by holding agencies accountable for how well they work together and by implementing process improvements, such as regular meetings of section and agency heads, shared calendars, and thematic discussions at economic cluster meetings. (Action: Embassy Beijing)

**Recommendation 9:** Embassy Beijing, in coordination with the Bureau of East Asian and Pacific Affairs and the Bureau of Human Resources, should ask the Department of the Treasury and the Office of the United States Trade Representative to restore positions for one Department officer in each agency, drawn from existing economic officer positions. (Action: Embassy Beijing, in coordination with EAP and HR.)

**Recommendation 10:** Embassy Beijing should restructure the law enforcement working group around selected operational subgroups and assign an office management specialist to keep and circulate records of their meetings. (Action: Embassy Beijing)

**Recommendation 11:** Embassy Beijing should change the work requirements statement of the information management officer to include responsibility for overseeing information management operations and serving as the reviewing officer for information program officers at Consulates General Shanghai, Guangzhou, Shenyang, Chengdu, and Wuhan. (Action: Embassy Beijing)

**Recommendation 12:** Embassy Beijing should resubmit its request for the 12 information management positions included in its 2012 Mission Strategic Resource Plan. (Action: EAP, in coordination with Embassy Beijing)

**Recommendation 13:** The Bureau of East Asian and Pacific Affairs, in coordination with Embassy Beijing, should develop and implement a plan to achieve continuity and protect institutional knowledge in its information management section. (Action: EAP, in coordination with Embassy Beijing)

**Recommendation 14:** Embassy Beijing, in coordination with the Bureau of East Asian and Pacific Affairs, should develop and implement a written training plan that includes technical skills and system administration responsibilities to prepare information management staff for assignment in China. (Action: Embassy Beijing, in coordination with EAP)

**Recommendation 15:** Embassy Beijing, in coordination with the Bureau of Information Resource Management, should request a team to analyze bandwidth, latency, and packet loss at the embassy and constituent posts, and recommend measures to address shortcomings. (Action: Embassy Beijing, in coordination with IRM)

**Recommendation 16:**

**Recommendation 17:** The Foreign Service Institute should provide students assigned to vice consul positions in China with more language training focused on conversation and the vocabulary they will require when interviewing visa applicants. (Action: FSI)

**Recommendation 18:** The Bureau of Human Resources, in coordination with the Foreign Service Institute and Embassy Beijing, should offer all officers and specialists assigned to Mission China the opportunity to take the first-and second-tour Chinese language course before arrival at post. (Action: HR, in coordination with FSI and Embassy Beijing)

**Recommendation 19:** Embassy Beijing should adopt a written policy that better defines which visitors require control officers to travel to the airport to meet and see them off. The policy should seek to reduce the time that control officers spend on travel to and from airports and explore opportunities to outsource these services. (Action: Embassy Beijing)

**Recommendation 20:** The Bureau of East Asian and Pacific Affairs should request that the Bureau of Human Resources assign the diplomatic title of “counselor of embassy” to the deputy section chiefs of the political, economic and public affairs sections, and to the head of the environmental, science, technology, and health section. (Action: EAP, in coordination with HR).

**Recommendation 21:** Embassy Beijing should require that the head of the political-economic section at Consulate General Chengdu rate or review all reporting officers. (Action: Embassy Beijing)

**Recommendation 22:** Embassy Beijing should resubmit a request for additional public diplomacy resources based on its review of the human resources, programming, and other support requirements for high-level delegations to China. (Action: Embassy Beijing)

**Recommendation 23:** Embassy Beijing, in coordination with the Bureau of Diplomatic Security, should develop new security guidelines that would allow increased programming in publicly accessible spaces, and provide an explanation to the Bureau of Diplomatic Security for any exceptions to standard security policies. (Action: Embassy Beijing, in coordination with DS)

**Recommendation 24:** Embassy Beijing should request that the Bureau of East Asian and Pacific Affairs and the Bureau of Human Resources offer future regional English language officers the opportunity to receive adequate Chinese language training to attain the required proficiency. (Action: Embassy Beijing, in coordination with EAP and HR)

**Recommendation 25:** Embassy Beijing should develop a comprehensive plan for virtual presence posts, including size, scope, and resource needs, and resubmit a request for those resources in the Mission Strategic Resource Plan. (Action: Embassy Beijing, in coordination with EAP)

**Recommendation 26:** The Bureau of East Asian and Pacific Affairs should designate an office within the bureau to support Virtual Presence Post programs. (Action: EAP)

**Recommendation 27:** The Bureau of Human Resources, in coordination with Embassy Beijing and the Bureau of Consular Affairs, should create a senior-level consular section chief position for Beijing and adjust grades of other supervisory positions accordingly. (Action: HR, in coordination with Embassy Beijing and CA)

**Recommendation 28:** Embassy Beijing, in coordination with the Bureau of Consular Affairs and the Bureau of Human Resources, should establish the new position of regional fraud prevention coordinator at Consulate General Guangzhou. (Action: Embassy Beijing, in coordination with CA and HR)

**Recommendation 29:** Embassy Beijing should enforce the requirement for Consulates General Shanghai, Guangzhou, Shenyang, Chengdu, and Wuhan to follow the visa referral guidance. (Action: Embassy Beijing)

**Recommendation 30:** Embassy Beijing, in coordination with the Bureaus of Consular Affairs and the Bureau of Overseas Buildings Operations, should correct deficiencies in the consular waiting spaces in Embassy Beijing and Consulate General Guangzhou. (Action: Embassy Beijing, in coordination with CA and OBO)

**Recommendation 31:** Embassy Beijing should enforce the requirement that all referrals and expressions of interest in visa cases be handled through the formal referral system. (Action: Embassy Beijing)

**Recommendation 32:** Embassy Beijing, in coordination with the Bureaus of Consular Affairs and Human Resources, should increase Consulate General Chengdu's locally employed staffing in the consular section to better reflect its workload. (Action: Embassy Beijing, in coordination with CA and HR)

**Recommendation 33:** Embassy Beijing should require Consulate General Chengdu to finish updating and test its warden system. (Action: Embassy Beijing)

**Recommendation 34:** The Bureau of Consular Affairs should expand the electronic file transfer of immigrant visa cases to decrease transit time and reduce the need for storage of paper files. (Action: CA)

**Recommendation 35:** Embassy Beijing should require that Consulate General Guangzhou create a fraud prevention plan, including standard operating procedures and relevant metrics for supporting the fraud unit. (Action: Embassy Beijing)

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**Recommendation 37:** Embassy Beijing should require that Consulate General Wuhan provide accurate information on its automated telephone answering system, including information at the beginning of the message for American citizens in emergencies. (Action: Embassy Beijing)

**Recommendation 38:** Embassy Beijing should schedule and complete an annual review of all embassy employees' position descriptions, and update them accordingly. (Action: Embassy Beijing)

**Recommendation 39:** Embassy Beijing should develop and implement a plan that sets priorities for the training needs of Department of State and International Cooperative Administrative Support Services employees and relate them to Mission Strategic Resource Plan goals. (Action: Embassy Beijing)

**Recommendation 40:** The Bureau of Resource Management, in coordination with the Office of the Procurement Executive should issue joint instructions to all diplomatic and consular posts outlining the Department's financial management and procurement policy and procedures on bulk funding of blanket purchase agreements and purchase cards. (Action: RM, in coordination with A)

**Recommendation 41:** The Bureau of Administration should provide clear policy and procedural guidance, including legislative and/or regulatory bases, to Embassy Beijing regarding the requirement to purchase residential furniture using the Drexel Heritage Furniture. (Action: A)

**Recommendation 42:** Embassy Beijing should implement procedures for the timely and proper tracking and accountability of information technology equipment. (Action: Embassy Beijing)

**Recommendation 43:** Embassy Beijing should ensure that residential inventories are signed within 30 days of the arrival of the occupant. (Action: Embassy Beijing)

**Recommendation 44:** The Bureau of Administration should provide Embassy Beijing with an automated asset management system to enhance its property management of items located in controlled access areas. (Action: A, in coordination with Embassy Beijing)

**Recommendation 45:** The Bureau of Overseas Buildings Operations should identify and help Embassy Beijing to acquire a suitable computer application to manage the work order/maintenance program for the embassy's controlled access area. (Action: OBO, in coordination with Embassy Beijing)

**Recommendation 46:** Embassy Beijing, in coordination with the Bureau of East Asian and Pacific Affairs, Bureau of Human Resources, and Bureau of Diplomatic Security, should inform prospective bidders of the full range of hardships and special requirements they will encounter at post, e.g., pollution, language, Internet

intrusion, contact reporting, early in the assignment process through the bidding tool, the post report and post profiles. (Action: Embassy Beijing, in coordination with EAP, HR and DS)

**Recommendation 47:** Embassy Beijing should install a temperature monitoring device that notifies Post One or the duty officer in the event of overheating of the information systems center at Consulates General Guangzhou and Chengdu. (Action: Embassy Beijing)

[illegible]

**Recommendation 49:** Embassy Beijing should establish and implement procedures for maintaining and monitoring post accounts that include periodic monitoring of status of funds, obligations, and liquidation amounts. (Action: Embassy Beijing)

**Recommendation 50:** Embassy Beijing should develop and implement standard operating procedures, particularly at the consulates general, for terminating and starting differential allowances. (Action: Embassy Beijing)

**Recommendation 51:** Embassy Beijing should develop and implement standard operating procedures, particularly at the consulates general, for identifying and collecting overpayment of post differential allowances to employees. (Action: Embassy Beijing)

**Recommendation 52:** Embassy Beijing should institute controls to ensure that Consulate General Chengdu performs nonimmigrant visa adjudication reviews in accordance with Department regulations. (Action: Embassy Beijing)

**Recommendation 53:** Embassy Beijing should require that mid-level accountable consular officers perform their duties in accordance with the Consular Management Handbook. (Action: Embassy Beijing)

**Recommendation 54:** Embassy Beijing should require consular managers at Consulate General Guangzhou to perform visa adjudication review as required. (Action: Embassy Beijing)

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## INFORMAL RECOMMENDATIONS

Informal recommendations cover operational matters not requiring action by organizations outside the inspected unit and/or the parent regional bureau. Informal recommendations will not be subject to the OIG compliance process. However, any subsequent OIG inspection or on-site compliance review will assess the mission's progress in implementing the informal recommendations.

### Managing Growth

Embassy Beijing is missing an opportunity to gain valuable consular interviewing window space in the newly planned Beijing annex.

**Informal Recommendation 1:** Embassy Beijing should reassess the space planning and design of the public access levels of the new annex to maximize the number of interview windows.

The current Guangzhou consular section in a commercial space, with its 43 windows, could be a ready-made solution in case the mission needs additional windows after 2013.

**Informal Recommendation 2:** Embassy Beijing should wait until 2013 to review whether or not to abandon the present consular workspace in Guangzhou.

The quality of the post language program is outstanding at Embassy Beijing, but uneven at several consulates general.

**Informal Recommendation 3:** Embassy Beijing should require each consulate general to provide a quarterly report showing participation rates in post language programs and confirming that vice consuls are being offered specialized training on arrival at post.

Participation in language classes is only rarely included in work requirements statements for supervisors and staff, though it is an essential aspect of professional development.

**Informal Recommendation 4:** Embassy Beijing should make attendance at language classes a specific work requirement in cases where staff require greater language skills. Similarly, the front office should include language participation as one of the benchmarks for judging managers' supervisory skills.

## Program and Policy Implementation

Some of Mission China's best reporting comes from combined efforts between the embassy and the consulates general. There is no guidance on what areas lend themselves to combined reporting.

**Informal Recommendation 5:** Embassy Beijing should work with reporting officers at the embassy and the consulates general to produce an annual reporting plan of issues that will be covered through joint reports.

Washington analysts do not have access to policy-relevant information in nightly economic and political notes exchanged by the embassy and the Bureau of East Asian and Pacific Affairs.

**Informal Recommendation 6:** Embassy Beijing should ensure that analysts in the Department and other agencies receive relevant portions of the nightly notes.

A limited amount of reporting repeats information readily available through open sources.

**Informal Recommendation 7:** Embassy Beijing should instruct reporting section chiefs to review reporting with a view toward reducing overlap with reliable open-source information.

Embassy Beijing and Consulates General Guangzhou and Chengdu maintain separate intranet pages reporting economic developments, some of which are not well maintained.

**Informal Recommendation 8:** Embassy Beijing should merge the economic reporting pages of all Mission China intranet pages into the embassy's intranet site.

The embassy needs to coordinate rule-of-law programs funded by different agencies.

**Informal Recommendation 9:** Embassy Beijing should instruct the economic and political sections to coordinate Mission China views on rule-of-law programs.

Mission China staff represent an underutilized resource for monitoring assistance projects.

**Informal Recommendation 10:** Embassy Beijing should approach the U.S. Agency for International Development to develop an agreed work plan on project monitoring, using embassy staff where possible.

## Public Affairs

The IRCs at Embassy Beijing and four of the consulates general have increased their electronic dissemination of information, but continue to rely extensively on traditional, largely reactive means of providing information.

**Informal Recommendation 11:** Embassy Beijing should increase dissemination of information from multimedia, interactive programs and other new media, such as blogs and Twitter, at all Information Resource Centers in China.

## Consular Affairs

The minister-counselor for consular affairs in Beijing spends too much time managing the Beijing consular section and not enough time traveling to constituent posts and planning for mission-wide consular resource needs.

**Informal Recommendation 12:** Embassy Beijing should revise the minister-counselor for consular affairs' work requirements so that they focus on mission-wide support, coordination, and resource planning.

Applicants at different posts face different procedures and policies.

**Informal Recommendation 13:** Embassy Beijing should establish standard operating procedures for a broad range of operational and management activities in the consular sections.

Three quarters of a million Chinese physically come into U.S. Government facilities in China each year. They are not being welcomed in a way that enhances their view of the United States.

**Informal Recommendation 14:** Embassy Beijing should develop a consular/public diplomacy partnership in which consular clients are seen as public diplomacy targets of opportunity.

China's country specific information sheet is confusing and unfocused.

**Informal Recommendation 15:** Embassy Beijing should rewrite the country specific information sheet to more accurately reflect the local conditions and to be more readable.

Most U.S. passport applications that clients submit to Embassy Beijing are handwritten, which requires consulate staff to manually enter the data into the ACS software.

**Informal Recommendation 16:** Embassy Beijing should place a computer and printer in the American citizen services waiting areas so that clients may enter and print their U.S. passport applications.

There is no paper trail at Consulate General Chengdu of the section chief's decisions on expedited visa appointment requests.

**Informal Recommendation 17:** Embassy Beijing should require that Consulate General Chengdu implement a written expedited nonimmigrant visa appointment system similar to that used by Consulate General Guangzhou.

Consular-coned ELOs at Consulate General Guangzhou are not given opportunities to serve in all of the units in the section.

**Informal Recommendation 18:** Embassy Beijing should require that each consular section establish a policy of giving, when practical, consular-coned entry-level officers experience in all of the consular units.

Immigrant visas for adopted children of Americans are processed by the American citizens services unit in Guangzhou.

**Informal Recommendation 19:** Embassy Beijing should instruct Consulate General Guangzhou to process adoption visas in its immigrant visa unit.

There is no digital video conference capability in the Shanghai consular section.

**Informal Recommendation 20:** Embassy Beijing should install digital video conference equipment in the consular section conference room in Shanghai.

There is no standard operating procedure at Shenyang for receiving Americans who do not have adequate identification.

**Informal Recommendation 21:** Embassy Beijing should establish a standard operating procedure for handling American citizens who come to Consulate General Shenyang without adequate documentation and notify the Chinese People's Armed Police guards of this procedure.

Consulate General Shenyang's consular section does not focus on crisis planning.

**Informal Recommendation 22:** Embassy Beijing should require that the Shenyang consular section dedicates one or more of its monthly training days to crisis response planning.

There is no visible external signage at the entrance to Consulate General Shenyang.

**Informal Recommendation 23:** Embassy Beijing should require that Consulate General Shenyang install external signage that includes working hours and how to make contact in an emergency.

### Voice of America

VOA Beijing's U.S. direct hire staff is not registered in the embassy's warden system.

**Informal recommendation 24:** Embassy Beijing should request that Voice of America Beijing's U.S. direct-hire staff register with the embassy's warden system, so that they can receive warden notices and emergency messages.

### Management

Consulate General Shanghai has a vehicle (VIN: 2FAFP71W1XX230701) that is inoperable because of window damage.

**Informal Recommendation 25:** Embassy Beijing should determine the proper disposition of Consulate Shanghai's 1999 Ford Crown Victoria, which is now inoperable due to its severely degraded windows.

### Information Management

The IM officer is not a member of the embassy emergency action committee. His expertise in communications and information management is needed on the committee.

**Informal Recommendation 26:** Embassy Beijing should include the information management officer on the emergency action committee.

## Management Controls

The financial management section is not reviewing and reconciling suspense deposits abroad, as required by 4 FAH-3 H-322.2-6.

**Informal Recommendation 27:** Embassy Beijing should research and reconcile all transactions charged to the suspense account that have been outstanding for more than 90 days.

Consulate General Shanghai has a large number of individuals with administrative roles in the consular shared tables.

**Informal Recommendation 28:** Embassy Beijing should require the Shanghai consular section to have no more than three officers with administrative functions in the consular shared tables.

Consulate General Shanghai has several untenured entry-level officers serving as accountable consular officers with cashier or inventory duties.

**Informal Recommendation 29:** Embassy Beijing should not allow untenured entry-level officers to serve as accountable consular officers at Consulate General Shanghai.

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**Informal Recommendation 30:**

## PRINCIPAL OFFICIALS

	Name	Arrival Date
Ambassador	Jon Huntsman	8/09
Deputy Chief of Mission	Robert Goldberg	7/09

	Name	Arrival Date
<b>Principal Officers:</b>		
Consul General Shanghai	Beatrice Camp	9/08
Consul General Guangzhou	Brian Goldbeck	7/09
Consul General Chengdu	David Brown	7/09
Consul General Shenyang	Stephen Wickman	1/07
Consul General Wuhan	Diane Sovereign	11/09

	Name	Arrival Date
<b>Chiefs of Sections:</b>		
Management	Jennifer Bonner	8/09
Consular	Linda Donahue	7/08
Economic	William Weinstein	11/09
Environment, Science, Technology and Health	Brent Christensen	8/07
Political	Aubrey Carlson	7/07
Public Affairs	Thomas Skipper	7/09
Regional Security	Barry Moore	8/07
Overseas Buildings Office	Bill Prior	3/09
U.S. Marine Security Guard Detachment	David Anderson	8/09

	Name	Arrival Date
<b>Other Agencies:</b>		
Department of Agriculture		
Foreign Agricultural Service	Michael Woolsey	8/08
Animal and Plant Health Inspection Service	Osvaldo Perez Ramos	10/08
Agriculture Trade Office	Eric Trachtenberg	8/07
Department of Commerce		
Foreign Commercial Service	William Zarit	9/09
Department of Treasury	David Dollar	8/09
Internal Revenue Service	Chinchie Killfoil	11/08
Federal Aviation Administration	Patrick Power	9/08
Agency for International Development	Jennifer Adams	8/08
Department of Defense		
Defense Attaché Office	Bradley Gehrke	6/09
Department of Homeland Security		
Transportation Security Agency	Cindy Eickhoff	8/06
U.S. Customs and Border Protection	Vincent Huang	8/06
U.S. Citizenship and Immigration Services	James Chiang	10/08
U.S. Immigration and Customs Enforcement	Bruce Gordon	7/07
Coast Guard Liaison Officer	George Vance	7/08
Department of Justice		
Legal Advisor	Amy Lee	10/07
Legal Attaché	Kathy Stearman	12/08
Drug Enforcement Administration	Brady Mackay	7/08
Department of Energy	Martin Schoenbauer	2/09
National Science Foundation	Alexander Deangelis	10/08
U.S. Trade Representative's Office	Christopher Adams	10/07
Centers for Disease Control	Jeffrey McFarland	8/07
National Institutes of Health	Ray Chen	11/04
Department of Health and Human Services	Elizabeth Yuan	2/09
Food and Drug Administration	Christopher Hickey	11/08

## ABBREVIATIONS

ACS	American citizen services
CA	Bureau of Consular Affairs
DCM	deputy chief of mission
Department	U.S. Department of State
DRL	Bureau of Democracy, Human Rights, and Labor
DS	Bureau of Diplomatic Security
EAP	Bureau of Eastern Asia and Pacific Affairs
EEO	Equal Employment Opportunity
EFM	eligible family member
ELO	entry-level officer
ESTH	environment, science, technology, and health
FAST	first- and second-tour
FSI	Foreign Service Institute
GSO	general services officer
HR	human resources
ICASS	International Cooperative Administrative Support Services
ILMS	Integrated Logistics Management System
IM	information management
IRC	information resource center
L	Office of the Legal Adviser
LE	locally employed
MSRP	Mission Strategic Resource Plan
NIV	nonimmigrant visa
OBO	Bureau of Overseas Buildings Operations

OIG	Office of Inspector General
PAS	public affairs section
PEPFAR	President's Emergency Plan for AIDS Relief
RSO	regional security officer
SHEM	safety, health, and environmental management
USAID	U.S. Agency for International Development
VPP	virtual presence post
VOA	Voice of America

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